Daily Report

Latin America

FBIS-LAT-90-172
Wednesday
5 September 1990

Daily Report
Latin America

FBIS-LAT-90-172 *5 September 1990*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

Bird Accuses Brother of Carrying Out Witch Hunt *[CANA]* 1
Commander Walker Denies Involvement *[CANA]* 1
Cuban Officials Questioned on Anti-Drug Efforts *[Havana TV]* 1

CARIBBEAN

Cuba

Castro, Reyshahri Call for Iraqi Withdrawal *[Tehran IRNA]* 3
Malmierca Remarks on Gulf Crisis, Perez Meeting *[Havana TV]* 3
Havana Reports Last Five Leave Spanish Embassy *[Havana Radio]* 3
Drug Trafficking Trial Scheduled for 7 September *[Havana Radio]* 3
Prieto, Espin Attend Vietnamese Ceremony *[Havana TV]* 3

Barbados

Prime Minister Addresses DLP Convention *[CANA]* 3

Grenada

Brathwaite Seeks 'Technical Assistance' in UK *[CANA]* 4
Union Concerned Over Waste Conversion Project *[CANA]* 4

Haiti

Electoral Council Announces Elections Postponed *[AFP]* 4
CEP Warns Trouillot Against 'Propagandizing' *[Port-au-Prince Radio]* 5

Jamaica

Suppression of Crimes Act Extended for 30 Days *[CANA]* 5
CIA-Linked Elite Policemen Under Investigation *[CANA]* 6

Trinidad and Tobago

GUARDIAN Publishes Bakr, Qadhdhafi Photo *[CANA]* 6
Minister Charles Announces Elections Postponed *[CANA]* 6
Robinson Says National Security 'Top Priority' *[CANA]* 7

MEXICO

Embassy in El Salvador Issues Oil Communique *[NOTIMEX]* 8
President Salinas Addresses PRI Assembly *[Mexico City TV]* 8
PRI President, Secretary General Confirmed *[NOTIMEX]* 9
PRI National Assembly Agrees on Guidelines *[Mexico City TV]* 9

CENTRAL AMERICA

El Salvador

Defense Minister Ponce Holds News Conference *[San Salvador Radio]* 10
Military Intelligence on 'Street Offensive' Plan *[EL DIARIO DE HOY 3 Sep]* 10
Government Communique Says Dialogue To Continue *[LA PRENSA GRAFICA 31 Aug]* 10
Foreign Minister Asks for ONUCA Assistance *[San Salvador TV]* 11
Roundup of FMLN Activity for 23 Aug-1 Sep *[LA PRENSA GRAFICA 23 Aug, etc.]* 11

Guatemala

Armed Forces Deny Changes Prompt 'Uprising' *[ACAN]* 12
New Armed Forces Assignments Noted *[EL GRAFICO 4 Sep]* 13
URNG Issues Communique on CACIF Meeting *[SIGLO VEINTIUNO 2 Sep]* 13
Defense Minister Pleased With Talks *[EL GRAFICO 3 Sep]* 13
'Peace Court' Grants Amnesty to Rios Montt *[AFP]* 14
Bishops Say 'Not Everything Is Lost' for Country *[EL GRAFICO 27 Aug]* 14
Government Denies Rumors of Raid Into Mexico *[Mexico City NOTIMEX]* 15
URNG Report Lists Operations For This Year *[SIGLO VEINTIUNO 29 Aug]* 15

Honduras

Callejas: Willing To Send Force to Gulf *[Hamburg DPA]* 15

Nicaragua

Mothers of War Disabled Occupy TV Station *[Managua Radio]* 15
Will Stay as Long as Necessary *[Managua Radio]* 16
Demand Higher Pensions, Dialogue *[ACAN]* 16
Honduran Boat Fires at Nicaraguan Navy Warships *[Managua Radio]* 17
Workers To Strike Over Government 'Indifference' *[BARRICADA 4 Sep]* 17
Ortega Notes Points of Agreement in Government *[Managua Radio]* 18
Politicians, Officials on Army Day Speeches *[Managua Radio]* 20
Cesar Says 'Misunderstandings' Almost Solved *[Managua Radio]* 21

Panama

Police Director Remarks on Current Situation *[EL SIGLO 26 Aug]* 22
Security Director Backs Civilian for Police Chief *[EL SIGLO 31 Aug]* 23
National Police Chief Dismissed Amid Controversy *[ACAN]* 24
Quezada Accused of Using Drugs *[LA PRENSA 4 Sep]* 24
More on Calderon's Accusations on Assembly Posts *[LA PRENSA 2 Sep]* 24
PRD Pact To Get Post Denied *[CRITICA LIBRE 4 Sep]* 25
PDC Announces Alliance Against Party *[CRITICA LIBRE 4 Sep]* 25
PRD Legislator Perinan Comments on Accusations *[Panama City TV]* 26
Calderon Rules Out Military Defense of Canal *[EL PANAMA AMERICA 31 Aug]* 26
Linares Says Time For Reparations From U.S. *[LA PRENSA 4 Sep]* 27

SOUTH AMERICA

Argentina

Cavallo Sees 'No Obstacles' to Integration *[Santiago Radio]* 28
Business Alliance Supports Government Policies *[BUENOS AIRES HERALD 4 Sep]* 28
23 Companies Bid for YPF Joint Venture Leases *[BUENOS AIRES HERALD 31 Aug]* 28
Central Bank Officials on Bank Losses, Future *[BUENOS AIRES HERALD 31 Aug]* 28
New Coins Being Introduced in Catamarca Province *[NOTICIAS ARGENTINAS]* 29

REGIONAL AFFAIRS

East Region

Li Zemin Urges Crackdown on Fake Goods *[ZHEJIANG RIBAO 22 Aug]* 46
Jiang Zemin Inquires About Damage in Zhejiang *[Beijing TV]* 46

Central-South Region

Guangdong Sports Meet Closes, Lin Ruo Attends *[Guangzhou Radio]* 46
Further on Meet *[Guangzhou Radio]* 47
Guangxi Holds Anti-Pornography Meeting *[Nanning Radio]* 47
Henan Holds Conference on Government Building *[Zhengzhou Radio]* 47
Hubei Veteran Party Cadre Passes Away *[Wuhan Radio]* 48
Hubei Public Security Conference Ends *[Wuhan Radio]* 49
Hunan's Xiong Qingquan Inspects Primary School *[Changsha Radio]* 49

Southwest Region

Asian Games Torch Reaches Guiyang in Guizhou *[Guiyang Radio]* 49
Sichuan Armed Forces Commission Reorganized *[Chengdu Radio]* 50
Sichuan Issues Circular on Supervision Work *[Chengdu Radio]* 50
Leaders at Lhasa Meeting on Nationality Unity *[XINHUA]* 50
Further on Nationalities Meeting *[XINHUA]* 51
Ismail Amat Visits Tibet, Speaks on Unity *[Lhasa TV]* 52
Meeting on Combating Pornography Ends in Lhasa *[Lhasa TV]* 52
Minister of Light Industry Visits Tibet 1 Sep *[Lhasa TV]* 53
Yunnan Urges Rural Market Development *[Kunming Radio]* 53

TAIWAN

Syrian Said To Be Threat to American Institute *[CNA]* 54
Journalists Welcome To Investigate Boat Mishap *[CNA]* 54
Broadcast Directed to Mainland Soldiers *[CNA]* 54
Military To Produce Locally Developed Fighters *[Taipei International]* 55
Economics Ministry To Assist Mainland Investment *[CNA]* 55
Economics Ministry Plans Mainland Food Imports *[CNA]* 55
Institute Discovers New Plating Technology *[CNA]* 55
Yugoslavia Participates in Taipei Import Fair *[CNA]* 55
Trade Relations With FRG To Be Boosted *[CNA]* 56
Cooperation Prospects With Singapore Viewed *[CNA]* 56
East European Academics Attend Taipei Meeting *[CNA]* 56

HONG KONG & MACAO

WEN WEI PO Personnel Reshuffle Continues *[SOUTH CHINA MORNING POST 4 Sep]* 57
Presence of DPRK Agents in Hong Kong Viewed *[SOUTH CHINA MORNING POST 29 Aug]* 57
Hong Kong Brain Drain Estimate Raised *[SOUTH CHINA MORNING POST 4 Sep]* 58
Guangdong Pledges Full Support for New Airport *[HONGKONG STANDARD 31 Aug]* 59
Guangzhou Seeks Joint Projects To Fight Pollution *[HONGKONG STANDARD 1 Sep]* 59

General

UN Meeting on Least Developed Countries Opens

OW0309191390 Beijing XINHUA in English 1750 GMT 3 Sep 90

[Text] Paris, September 3 (XINHUA)—The second United Nations conference on the least developed countries opened here at the UNESCO Headquarters.

The meeting, which is scheduled to last through September 14, will review the economic situation of the least developed countries in the past decade and work out a program of action to help these countries deal with their economic difficulties.

Representatives of more than 100 U.N. organizations and U.N. member nations, including the head of state or government of eight countries, together with those of over 20 international organizations and some governmental or non-governmental groups, were present at the opening ceremony.

The Chinese Government has dispatched a delegation headed by Mr. Wang Wendong, the vice minister of foreign economic relations and trade, to participate the event.

U.N. Secretary-General Javier Perez de Cuellar opened the conference by saying that the present economic situation in the least developed countries requires these countries to apply their human, material and financial resources more effectively, and to adopt economic reforms to promote national economic development.

The U.N. chief also urge the international community, especially the developed countries, to provide the least developed countries with sufficient and effective financial aid.

Also speaking at the ceremony was French President Francois Mitterrand, who stressed the importance of cooperation between the least developed countries and the developed countries, and called upon the Western countries to increase their assistances to the Third World countries.

Li Peng Hails Conference

OW0309114990 Beijing XINHUA in English 1111 GMT3 Sep 90

[Text] Beijung, September 3 (XINHUA)—Chinese Premier Li Peng said today it is "an urgent and pressing issue" for the international community to develop the economy of the Third World countries.

In a message congratulating the opening today of the second U.N. Conference on the least developed countries, Li said "It is a task of top priority to reverse the deteriorating economic and social situation of the least developed countries, and to revitalize and accelerate their economic growth and development."

"This task requires the joint efforts of the international community," he said.

Li also expressed his wish that the conference, which is to last through September 14 in Paris, "will make great contribution to helping the least developed countries in their efforts to embark on the road of sustained growth and development."

"China, being a member of the Third World, has always demonstrated its deep sympathy for the difficulties encountered by the least developed countries," Li said, adding that his country "will continue to strengthen and expand" its economic and technical cooperation with these countries.

PRC Aid Explained

OW0409154390 Beijing XINHUA in English 1518 GMT 4 Sep 90

[Text] Paris, September 4 (XINHUA)—Chinese Vice Minister of Foreign Economic Relations and Trade Wang Wendong reiterated here this afternoon the principles guiding China's aid to foreign countries.

Wang Wendong, head of a Chinese delegation to the second U.N. conference on the least developed countries, which opened here yesterday, said the gist of these principles is as follows:

First, aid provided by China "is a matter of mutual help among 'poor friends'" and China "never regards such aid as a kind of unilateral alms."

Second, China "scrupulously respects the sovereignty of the recipient countries and never attaches any strings, asks for any privileges or interferes in the internal affairs of the recipient countries."

Third, emphasis in China's aid projects "is always put on the economic and social effectiveness so as to help the recipient countries embark step by step on the road of self-reliance and independent economic development."

Fourth, China's preferential assistance is provided in accordance with its capabilities.

Following these principles, Wang said, China has "established good cooperative relations with the least developed countries" and China's aid projects have "played a positive role in promoting the development of the recipient countries' economy."

China is still at a low level of its economic development, Wang noted. However, he said, aid provided by China, though limited, "is a demonstration of the good will of the Chinese Government and people for a sincere cooperation and common development with the least developed countries."

He pledged that China, with the increase of its national economic strength, will continue its aid to the least

Cuba shares information or has any type of anti-drug cooperation with U.S. authorities:

[Begin Colonel San Gee recording] The U.S. Government cannot deny that our country informs its services in Miami about the planes that violate the air space, and no reports are ever made about what happens to those planes. A plane that violates the air space is not necessarily involved in drug trafficking. A plane that violates the air space is any aircraft that does not ask for permission. The information is not available. Everytime a suspicious vessel is spotted information is requested from the United States. [end recording]

The question was also posed regarding whether or not Cuba is strengthening legal measures to combat narcotrafficking. The answer was that a bill is being worked on. It was explained that this bill is practically complete and after a consultation process, it will be submitted before the Cuban parliament for approval. In any case, it was noted that this legal instrument contemplates very harsh sanctions for drug traffickers.

The press was given a detailed explanation on the mode of operation of drug traffickers in Cuban waters and its surrounding areas. It was said that for over 20 years Cuba, which does not produce, transport, nor consume illegal drugs, has been facing the increasing activity of these international criminals who, in fact, take advantage of our country's geographical situation for their operations and use this route on their way to the southern part of the United States.

Last year alone, Cuba seized almost two tons of cocaine. This places us, according to Interpol statistics, in tenth place regarding this drug's seizure. [passage omitted]

Cuba

Castro, Reyshahri Call for Iraqi Withdrawal

LD0109105590 Tehran IRNA in English 1000 GMT 1 Sep 90

[Text] Tehran, Sept. 1, IRNA—Iran's Prosecutor General Hojjat ol-Eslam Mohammad Mohammadi Reyshahri who is currently visiting Havana met with Cuban President Fidel Castro on Friday [31 August] and stressed importance of bilateral ties.

Both sides deplored the Iraqi invasion of Kuwait and condemned presence of foreign forces in the Persian Gulf region. They also called for the immediate withdrawal of the Iraqi forces from Kuwait in order to eliminate the excuse for presence of alien forces in the region. They also discussed issues relevant to the third world countries.

Hojjat ol-Eslam Reyshahri arrived in Havana August 26.

Malmierca Remarks on Gulf Crisis, Perez Meeting

FL0509013790 Havana Television Service in Spanish 0000 GMT 5 Sep 90

[Text] Cuban Foreign Minister Isidoro Malmierca said in Caracas today that the United States should remove its military forces from the Arab Persian Gulf at the same time Iraq withdraws from Kuwait. Malmierca made these remarks to the press after meeting at the government palace with Venezuelan President Carlos Andres Perez. The Cuban minister said the U.S. military escalation poses a risk and can provoke new and very negative confrontations, especially for the Third World.

Malmierca characterized as cordial and positive the meeting with President Perez with whom he reviewed bilateral relations in various areas with the understanding that conditions exist to strengthen and broaden these relations.

Havana Reports Last Five Leave Spanish Embassy

FL0509024090 Havana Radio Reloj Network in Spanish 0219 GMT 5 Sep 90

[Text] The last five Cuban citizens who were staying illegally in the Spanish Embassy in Havana left the mission this afternoon. They are: Arturo Lama Madruga, Miguel Suarez Rodriguez, Orlando Estrada Estrada, Ernesto Betancourt Lopez, and Isvani Tapanes. They returned to their respective homes.

As in all previous cases, these five citizens left the embassy voluntarily and unconditionally.

Drug Trafficking Trial Scheduled for 7 September

FL0509015990 Havana Rebelde Network in Spanish 2300 GMT 4 Sep 90

[Text] The Provincial People's Tribunal in Ciego de Avila has scheduled for Friday 7 September the oral and public hearing of Case 313-1990 filed for illegal entrance in the national territory and trafficking and possession of drugs. The trial will be held against defendants Juan Carlos Rivas Brunet, 29; Eloy Mundo Espinoza, 49; Ramon Torres Souzo, 46; and Manuel de Jesus Pozos Fortunato, 31. These citizens left the country years ago and reside in the United States.

The four individuals illegally entered Cuban territorial waters north of Ciego de Avila and were captured when they were waiting for a cocaine drop from Colombia to take to the United States. This incident took place on 6 March of this year, a little over two miles away from the Media Luna Key, north of Punta Alegre, in Ciego de Avila's Chambas Municipality.

Attorney Jose Luis Toledo Santander, chief prosecutor of the province, reported that the oral and public hearing will be held at the provincial tribunal and that the defendants will have defense attorneys and all the guarantees established by the law.

Prieto, Espin Attend Vietnamese Ceremony

FL0409144090 Havana Tele Rebelde Network in Spanish 1100 GMT 4 Sep 90

[Text] Politburo members Pedro Miret Prieto and Vilma Espin Guillois presided over the political activity held to mark the 45th anniversary of the founding of the Democratic Republic of Vietnam. Vietnamese Ambassador to Cuba Do Van Tai expressed the joy he felt in being able to participate with Cubans in the ceremony commemorating the struggles carried out by the Vietnamese until in August 1945, President Ho Chi Minh proclaimed the birth of the republic.

For his part, in his closing speech Miret Prieto mentioned the presence there of Nguyen Thi Dinh, a heroine of the Vietnamese struggles, who led the first of the armed uprisings and obtained the rank of brigadier general. He also mentioned the close ties that have always existed between Cuba and Vietnam, and referred to the gains of that Asiatic nation.

Barbados

Prime Minister Addresses DLP Convention

FL0309184090 Bridgetown CANA in English 1529 GMT 3 Sep 90

[Text] Bridgetown, Barbados, Sept 3, CANA—Barbados' ruling Democratic Labour Party (DLP) seeking reelection in forthcoming general elections has promised a "clean but tough" campaign leading up to the polls. Prime Minister and party leader Erskine Sandiford,

addressing the closing session of the DLP's annual convention on Sunday, called on supporters to ensure that the party's electoral machinery was functioning at full speed.

"This party has no intention of engaging in personal vilification and mud slinging. We will fight a clean but tough campaign in order to keep Barbados on the right path...," said Sandiford, who will lead the party for the first time into a general election. He said that he expected the party to start immediately on a series of training programmes for persons who "will play an active role in the next election campaign".

General elections are constitutionally due by August next year, but political observers and opposition parties believe that Sandiford, who took over the reins of government following the death of Prime Minister Errol Barrow in 1987, will face the electorate at an earlier date. A week ago Sandiford told supporters that the polls would be held "within the next nine months".

He outlined an 11-point agenda which he said his party would be embarking upon for the further development of the island, if re-elected to office. Among the proposals will be the provision of additional jobs and an improved economic situation here. Unemployment at present hovers between 15 and 18 per cent and the island's foreign reserves have dipped in recent months.

Sandiford said the DLP would also seek to "maintain a stable balance in our external economic sector in respect of both the trade balance, the foreign exchange rate and the international reserves".

He also outlined plans to improve the rights of women, and youth on the island. "We still have a lot of work to do in government before May 28 (the five anniversary of the DLP's election victory) comes," Sandiford warned party supporters.

Grenada

Brathwaite Seeks 'Technical Assistance' in UK

FL0309184590 Bridgetown CANA in English 1750 GMT 3 Sep 90

[Text] St George's, Grenada, Sept 3, CANA—Grenada Prime Minister Nicholas Brathwaite is in Britain on a one-week official visit. Before leaving here Saturday, Brathwaite told CANA that during the visit he would meet officials of the British Foreign Office, the Commonwealth Secretariat, the West India Committee and address nationals living in Britain. He stated that during the talks with the British Foreign Office, he would seek technical assistance for the country.

"I would also raise with them the situation with respect to bananas in relation to the development (of the single market after) 1992," he said. Windward Island banana producers fear that they could lose their preferential treatment on the British market following the creation of the single market.

Brathwaite said that he would ask for "general assistance" from the Commonwealth Fund for Technical Co-operation, saying he preferred not to specify the kinds of assistance being sought.

The prime minister is accompanied on the trip by his wife, and Chief of Protocol Adrian Haynes. He is expected to return home on Saturday.

Union Concerned Over Waste Conversion Project

FL0409181890 Bridgetown CANA in English 1704 GMT 4 Sept 90

[Text] St. George's, Grenada, Sept 4, CANA—The Grenada Trade Union Council [TUC] has voiced concern over an agreement which the government recently signed with an American firm, Waste Conversions Limited, to turn waste into electricity. The TUC, in a statement, said that it was worried about the way in which the agreement between the U.S company and the government was formulated before any consultation with labour took place.

Under the deal worked out, the state-run Grenada Electricity Company (Grenlec) is to be closed down, making way for a new plant to be built by Waste Conversions Limited in St. George's north-west. Grenlec would provide back-up services in case of a breakdown at waste conversions.

The TUC questioned whether the six-month old administration can adequately guarantee that no waste will be imported for the project and whether the American firm would provide technological equipment to monitor and ensure environmentally safe emissions from the power plant. Other concerns highlighted in the statement related to whether government had the trained personnel and equipment to independently monitor the emissions to ensure Grenadians' health is not jeopardised.

Haiti

Electoral Council Announces Elections Postponed

PA0309015090 Paris AFP in Spanish 0110 GMT 3 Sep 90

[Text] Port-au-Prince, 2 Sep (AFP)—The Provisional Electoral Council (CEP) has announced that the general elections scheduled for 4 November in Haiti have been postponed. The communique released over the weekend in Port-au-Prince does not mention when the elections will be held.

The communique issued by the CEP, an independent organization responsible for organizing the elections, used technical, material, and financial reasons to justify

its decision. The CEP made no mention of the open conflict between President Ertha Pascal Trouillot and the State Council.

CEP Warns Trouillot Against 'Propagandizing'

FL3108201690 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 30 Aug 90

[Text] Just as President Ertha Pascal Trouillot's speech angered the political circles, which saw in the speech a bias in favor of a particular group, the Provisional Electoral Council [CEP] too has not remained indifferent to Mrs. Trouillot's speech. In a recently issued press release, the CEP warns Mrs. Trouillot against propagandizing in favor of any particular political group during the electoral period. The electoral law provides sanctions against any such actions, should they occur.

The CEP says that on 8 August it was visited by some members of the Assembly for Concerted Action [AC], which tabled a number of problems that might prevent them from participating in the elections. The CEP sent them a response on 15 August, and later sent a copy of this response to the other part of the AC. On 10 August, the CEP hastened to warn the president that a considerable number of parties were threatening to boycott the elections. On 18 August, the CEP received an answer saying more or less what the president said in her 27 August speech during the installation of her cabinet. The CEP never announced anything about this matter because it felt the letter was something between it and the president alone. The president [words indistinct] to take into consideration a warning about the importance of a possible political crisis.

The official version of the speech made at the installation of the Cabinet was carried by the newspapers on 29 August. There are two paragraphs in the president's speech that the CEP regrets. The CEP highlights the regrettable words.

These paragraphs are, and we will say it in French, where the president says [announcer switches to French]: *In any case, it is, essentially, the task of arbitrating this rescue that was entrusted to me. And I will not fall short of the responsibility to assure all the way to the end that this (?rescue unfolds) under the best conditions possible, under the sovereign authority of an electoral council which, I am convinced, will not be led astray by the desperate and perfidious calls to disregard its patriotic obligations to turn the nation toward democracy. It must be noted with satisfaction that major political groups, representative of a majority of the electorate, have well understood the requirements of the juncture, and are already at work with a view to participating, next 4 November, in the elections—elections that are therefore irreversible.*

[Announcer switches back to Creole] These are the two paragraphs in President Trouillot's speech that the CEP objected to. According to the CEP, the problem has to be solved ... [corrects himself] has to do with what is going to happen between (?now) and the end of the period of political transition. While it is true that the CEP, the executive, and the State Council are all provisional, of all these institutions, only the CEP has responsibility for results, meaning the elections, that are not provisional. The CEP should not take into consideration the sizes of the different parties; thus, should a number of candidates refuse to participate in the elections, the CEP must take such a thing seriously. The CEP says it will do everything it can to satisfy all candidates or parties who have any kind of problem, as long as they do not ask it to act in a manner prejudicial to the interests of the sovereign people or to circumvent the Constitution of 1987.

Therefore, the CEP informs the sovereign people that it does not accept the said portion of the speech, which is related to the CEP's work. The CEP is not defending the interests of any particular candidate or political party or group. Its only interest is in defending the electoral law. The president's position is not helpful to anybody, because such statements come close to falling under the violations specified in Article 102 of the electoral law, which reads as follows: Persons working for the government in (?law-enforcement) may not engage in electoral propaganda while exercising their duties. If they do this, they deserve the punishment provided for by the electoral law. Any government law-enforcement employee caught in the act of engaging in electoral propaganda must be reported to his superiors. If found guilty, he shall lose his job and the appropriate court shall sentence him to between three and six months' imprisonment and a fine of between 300 and 600 gourdes, concludes the CEP's communique.

This, then, is the warning the CEP has given provisional President Trouillot following the speech she made Monday, in which she said many major political parties had already climbed on the election bandwagon, and that this was a good sign that there would indeed be elections, despite protests from a number of political parties.

Jamaica

Suppression of Crimes Act Extended for 30 Days

FL3108212290 Bridgetown CANA in English 2106 GMT 31 Aug 90

[Text] Kingston, Jamaica, Aug 31, CANA—The Jamaican Government has extended the Suppression of Crimes Act for another 30 days covering Kingston, St. Andrew, and St. Catherine, the minister of national security, K.D. Knight announced Friday. The act gives the police emergency powers to tackle crime. It provides for curfews.

The act, renewed on a continuing basis for 16 years, was suspended on May 17, but re-introduced after a flare up in gun violence in areas traditionally allied to the two main political parties.

Night-time curfew was implemented in sections of the capital two times this week, and once last week in what the police said were stepped up actions to nab criminals.

Critics of the act, including local human rights, activists have pointed to the wide powers given to the police which allow them to detain "suspects" for up to three days without a charge being made against them. Others said that since 1974, many policemen do not have any idea how to relate to the public outside of the extra powers which they often abuse.

CIA-Linked Elite Policemen Under Investigation

FL0409173290 Bridgetown CANA in English
1609 GMT 4 Sept 90

[Text] Kingston, Jamaica, Sept 4, CANA—The GLEANER newspaper reported Tuesday that an elite group of local policemen with links to the U.S. Central Intelligence Agency (CIA) is being investigated for crimes ranging from murder to gun and car theft. The paper quoted unnamed sources as saying that a police task force has been assigned to investigate the group, known as "The Untouchables," for 10 killings committed between 1987 and 1988.

Katie Polk, the Cultural Affairs Officer of the U.S. Embassy, would not say whether the CIA had links with the local police force. But the paper quoted Director of Public Prosecutions Glen Andrade as saying that he was aware of "certain investigations" being made by the police but he had not yet received any files.

The GLEANER said that the killings being investigated include a triple slaying which took place several months ago. Investigations are also being conducted into the circumstances in which 20 motor vehicles, some of them given to the group by the CIA, were sold, the paper said. Two of the vehicles have been seized by the police. The policemen are also being questioned in connection with the theft of several firearms from a local security firm about two months ago.

According to the paper, the CIA has had links with the Jamaica Constabulary Force since the 1980's. The group was said to be involved in drug interdiction.

Trinidad and Tobago

GUARDIAN Publishes Bakr, Qadhdhafi Photo

FL0409180290 Bridgetown CANA in English
1635 GMT 4 Sept 90

[Text] Port of Spain, Trinidad, Sept 4, CANA—The Trinidad GUARDIAN newspaper on Tuesday hinted at a link between the Jamaat-al-Muslimeen, a local Black Muslim group which attempted a coup in July, and Libyan leader, Colonel Mu'ammar al-Qadhdhafi. The paper front-paged photos of Jamaat leader, Yasin Abu Bakr, and Qadhdhafi meeting in Tripoli.

The paper said Trinidad police had discovered two photographs of Bakr's Tripoli meeting in Qadhdhafi's tent following a July 27 to August 1 coup attempt here. The photos appeared days after Trinidad and Tobago's United Nations ambassador, Dr. Majorie Thorpe, told a UN Congress on the Prevention of Crime that the Jamaat coup attempt had possible international help.

The photo's published by the GUARDIAN show Qadhdhafi and Bakr meeting in Qadhdhafi's well-equipped tent in Tripoli. In one photo, the two are shaking hands and smiling. In the other, the two men are seated in discussion with Qadhdhafi's electrical equipment, carpets, books, and furnishing in view. The GUARDIAN said that Qadhdhafi had denied any links to the Trinidad coup attempt when asked by Britain's SUNDAY TIMES but that Bakr had admitted meeting the controversial Libyan leader.

According to the GUARDIAN, other items found by police when they raided the former home of Bakr included an address book with Tripoli telephone numbers, false travel documents for Middle Eastern countries, and some Trinidad and Tobago passports with entry stamps for Saudi Arabia. Police told the paper they also found videotapes, allegedly made in an Arab country, explaining terrorist methods.

Minister Charles Announces Elections Postponed

FL0309182090 Bridgetown CANA in English
1602 GMT 2 Sep 90

[Text] Port of Spain, Trinidad, Sept 2, CANA—Local government elections in Trinidad and Tobago, constitutionally due this month, have been postponed by a year, Works, Infrastructure and Decentralisation Minister Dr. Carson Charles has announced. Charles said that the postponment was caused by the events surrounding the July 27 abortive coup attempt by members of the Jamaat-al-Muslimeen group.

"We regret the recent events have exacerbated our difficulties and, even with the most urgent action by the Elections and Boundaries Commission following passage of the bill, it will be several months before such elections could be held," Charles said.

At the time of the coup, the Senate was debating the municipal corporations bill to make changes for the local government elections constitutionally due this month. The bill provides for the existence of four municipal corporations (boroughs) while county councils will be abolished and replaced with 13 new bodies to be known as regional corporations.

Charles said that at Monday's sitting of the Senate he would move a new amendment to extend the term of office of local government councils for a maximum of one year. The government's five-year term of office also ends next year, raising the possibility of a general election as well.

Robinson Says National Security 'Top Priority'

FL0109181390 Bridgetown CANA in English 1743 GMT 1 Sep 90

[Text] Port of Spain, Trinidad, Sept 1, CANA—Five weeks after his government survived a coup attempt, Trinidad and Tobago Prime Minister A.N.R. Robinson says national security will become a top priority and a necessary component for progress in the country. "Unless we provide an environment of security and respect for the law, our individual rights and liberties are meaningless abstractions, the provisions of our constitution mere worthless rhetoric," Robinson said in a radio and television broadcast to mark the 28th anniversary of political independence here on Friday night.

He said that his administration would be reviewing the present national security arrangements with a view to rectifying any existing deficiencies. But he made it clear that the country will be committed to the rule of the law and a just society.

"Justice demands that we pursue vigorously the goals of equal opportunity, so that the quality of life is improved. A life consistent with human dignity is made available to all," he said.

On July 27 members of the Jamaat-al-Muslimeen stormed the Parliament building and state-owned television station, holding Robinson and several other MPs hostage. Robinson said that the coup attempt was the country's "most severe challenge as a free and independent nation". It challenged the leadership, national character, social fabric, sacred institutions and the constitution, he said.

"...The trial was an extreme and searching one... It took us to the brink, it extended us in a way we had not been extended before. It exposed our weakness, not only to ourselves but to the eyes of the world," he told the nation.

He added: "We withstood the test, we dealt with the crisis... We managed without external intervention and in the final analysis, confirmed and strenghtened our independence, to the admiration of others."

"We have lost our innocence, but not our respect. We may have been shorn of our illusions, we have acquired scars, but with them a greater maturity, a greater humility and wisdom," Robinson said.

"As a nation, as a people, we will never be the same, but it is in my firm belief that our adversity will leave us stronger and better equipped to deal with the real and potent dangers which threaten in today's world, both within and outside.

"We have learnt certain hard lessons, ... lessons which must never be forgotten and which must inform the way we conduct our national affairs henceforth.

"We can never take our freedom for granted."

Robinson said it was a sad spectacle to see "some among us virtually colluding with those who launched their assault" and that he was "ashamed by the depth of unscrupulousness" to which some people had descended.

Embassy in El Salvador Issues Oil Communique

PA0509032890 Mexico City NOTIMEX in Spanish 0234 GMT 5 Sep 90

[Text] San Salvador, 4 Sep (NOTIMEX)—The Mexican Embassy in San Salvador has announced here that, despite the Persian Gulf crisis, Mexico will maintain its current levels of petroleum exports to Central America in keeping with the San Jose Pact.

In a press communique, the Mexican diplomatic mission pointed out that this gesture aims to "ensure a stable supply to beneficiary countries" in keeping with the 11th renewal of a pact signed with Venezuela on 3 August of this year.

The San Jose agreement benefits Central American countries with the shipment of about 100,000 barrels of petroleum per day at preferential prices.

The communique stated that "the Mexican Government is interested in seeing a stable petroleum market (because) a possible extension of the crisis would be detrimental to consumers and exporters and the world economy."

"Mexico has nothing to do with the uncontrolled increase in prices" because its production, which totals 4.5 percent of total world production, "is not a determining factor in setting prices or controlling markets," the communique added.

Central American ministers recently asked the Mexican and Venezuelan Governments to keep in mind that the region is experiencing a crisis and not to raise petroleum prices.

President Salinas Addresses PRI Assembly

PA0509030690 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 4 Sep 90

[Italicized passages are recorded]

[Text] President Carlos Salinas de Gortari attended the 14th PRI [Institutional Revolutionary Party] National Assembly, where nearly 10,000 delegates from throughout the country met, ready to reform their party. The president said that the changes in the PRI are for victory and not to give away power. He urged the PRI members to strengthen our sovereignty and national identity, and he stressed that the ambitions of replacing one hegemony with another belong to the past.

President Salinas de Gortari said the central objective of the party is to democratically maintain power. The second great challenge is to strengthen the Mexicans' control over the nation; therefore, they will not permit such experiments or proposals, whose cost, if they fail, is the loss of sovereignty. The third challenge is social justice as a response to the Mexicans' legitimate demand for greater well-being.

President Salinas de Gortari stressed that we have gone from a bureaucratic and proprietary state to a state of solidarity that has reformed itself to eliminate the bureaucratic fiefdoms which verbally advocated impartiality but in reality protected waste, ineptitude, and corruption.

[Salinas] *That is why we need more active governors and municipal presidents who are permanently working. All those who have responsibility over a territory should have closer ties with the rank and file and be aware of their needs. All should work more and be closer to the people.*

The president reiterated that his administration promotes an economy that will work and that will create the jobs demanded by the Mexicans. He proposed a new social policy by acting with the majority. That is why he told those who fail to combine knowledge with action not to utilize politics.

[Salinas] *We are a new generation in power, not due to age but due to a new attitude. Those within or outside the PRI who today are the most critical of the reforms you are promoting are, paradoxically, the ones who contributed to its greatest defects when they held leadership posts. They were on the verge of destroying the PRI. You can make sure that the PRI will continue to be a formidable political force for sovereignty, justice, democracy, and freedom.*

President Salinas said that the PRI members should change their language because they want to communicate with the people and not confuse them.

[Salinas] *We must stop avoiding respectful but firm debate with those of the opposition who denigrate the party inside the country and who have no political shame in criticizing the PRI and the government abroad, with words which are devoid of argument, and without caring about the damage that this attitude can cause to the country. Their irrational opposition is objectively turning them into allies of those who seek to trample on the national sovereignty. Let us respond to them with the passion of conviction and the strength of argument.*

The president added that the PRI does not seek a lucky electoral break, but, through intense political work, it wants to promote democracy and tolerance. However, it does not want to seek conciliation with the adversary by granting it what is illegal.

[Salinas] *That is why those who aspire to be candidates of the party must have a clear commitment to the new times of the PRI. They are times of concerted action, but not to the point of placating the opposition so much that our banners are forgotten because we have bowed down to pick up someone else's banners. We want candidates committed to the strengthening of the PRI, and not its capitulation. The new times are not for protecting personal prestige but for leading the debate and the united efforts.*

President Salinas stressed that the changes in Mexico's political life must not endanger the institutions of the

Republic, much less the nation's sovereignty. That is why all the country's political forces must really guide Mexico's democratic evolution.

PRI President, Secretary General Confirmed

PA0309201890 Mexico City NOTIMEX in Spanish 1830 GMT 1 Sep 90

[Text] Mexico City, 1 Sep (NOTIMEX)—Luis Donaldo Colosio Murrieta and Rafael Rodriguez Barrera were confirmed today as president and secretary general of the National Executive Committee [CEN] of the Institutional Revolutionary Party (PRI).

At the beginning of the PRI's 14th National Assembly, the 9,484 delegates decided to confirm them in their posts on the basis of the party statutes.

A recess was declared after the vote in order to appoint a commission to inform the two leaders of the results.

As a member of the PRI's board of directors, Senate leader Emilio M. Gonzalez swore in Colosio Murrieta and Rodriguez Barrera as president and secretary general of the PRI's CEN.

PRI National Assembly Agrees on Guidelines

PA0509022790 Mexico City Red Nacional 13 Imevision Television in Spanish 1310 GMT 4 Sep 90

[Report by Javier Cervantes]

[Text] Mexico has seen the most multitudinous and democratic assembly in the history of the Institutional Revolutionary Party [PRI]. It has seen the new foundations and commitments that will compose, as of today, the new guidelines of this political group.

In the framework of the plenary session of the 14th National Assembly of the PRI, the presidents of the principles, action planning [programas de accion], statutes, and national modernization commissions presented the agreements that resulted from the intense debates in the PRI offices in Queretaro, Morelos, Puebla, and Tlaxcala.

Among the decisions reached, we can mention 12 fundamental points:

1. There will be secret and direct ballots on all internal elections, with the exception of the federal executive.

2. Party affiliation will be an individual, free, and peaceful decision, but not compulsory or through an organization or group.

3. Consultations with the rank and file will be extended so that they can decide on the course and political practices of their party.

4. The secretariats of the National Executive Committee of the PRI will be reduced from 18 to 7. The promotion and operation secretariat and the electoral action secretariat will disappear.

5. The Institute for Political, Economic, and Social Studies, IEPES , and the Institute for Political Training will disappear.

6. The positions of delegate-general as well as regional and special delegate of the PRI in each state will disappear.

7. The new text of the Declaration of Principles will be reduced from 89 to 29 pages and will preserve the principles of the revolution: nationalism, democracy, sovereignty, and social justice.

8. Old political practices that deny or obstruct the complete exercise of democracy, such as centralism, caciquism, and nepotism, will be uprooted in accordance with party guidelines.

9. Political trials will be held for public officials who commit fraud.

10. Strict respect for human rights and traditional principles of foreign policy.

11. Absolute rejection of any changes to the constitution regarding church-state relations.

12. Promotion of a greater participation of women and youth in the activities, decisions, and posts that are up for election in the party.

These are the fundamental aspects that will rule over the new activities of the party. We only need everyone's determination to implement them to maintain a free, sovereign, and democratic country.

El Salvador

Defense Minister Ponce Holds News Conference

PA0409214190 San Salvador Radio Cadena YSU in Spanish 1730 GMT 4 Sep 90

[Text] Colonel Rene Emilio Ponce, defense and public security minister, said today that the murder of the six Jesuit priests and two maids has stained the honor of the armed institution. During his first news conference as defense minister, the military chief said he has twice rendered statements on this case. He said that if the judge considers it appropriate, he will do so again. Ponce added that the Armed Forces are willing to begin a process of cooperation to clear up this crime.

Ponce also said the military institution is studying possible institutional reforms that can be made that would be aimed at increasing its professionalization.

[Begin Ponce recording] We are at the disposal of, and we want better communications with, the 4th Criminal Court judge, who is in charge of the Jesuit murder case. In this regard [12-second break in reception] once and for all this crime, which has actually stained the pride and dignity of our Armed Forces. We are also conducting the proper studies to reorganize the institution and to make institutional reforms that society will demand from us in the future, when we will have a completely democratic and just society for all. In this regard, we are making the needed changes and the necessary studies so that the Armed Forces can play a better role in our democratic society. [end recording]

The defense minister began his news conference by accusing the Sandinist Army of giving military support to the Farabundo Marti National Liberation Front, and he said the Chamorro government cannot agree with that. The Sandinist army still remains in power, and it has a formal and moral commitment to the FMLN, the military chief said.

In this regard, Ponce said the ONUCA [UN Observer Group in Central America] should see to it that this type of support is not repeated.

The new defense minister said the Armed Forces will keep in step with the political changes, and he reiterated his willingness to eliminate the impunity of those who commit crimes against the objectives of the democratic process. Ponce also said the Army's support for the negotiation process will be a strong one, and he spoke in favor of a cease-fire agreement as soon as possible.

Military Intelligence on 'Street Offensive' Plan

PA0509044190 San Salvador EL DIARIO DE HOY in Spanish 3 Sep 90 pp 13, 25

[Text] Military intelligence has reported that the FMLN-FDR [Farabundo Marti National Liberation Front-Revolutionary Democratic Front] has ordered its forces to wage a "street offensive" during the first half of September. The purpose is to keep citizens tense and provoke a "violent reaction" from the security forces.

The sources explained that the plan is to create an argument for the FMLN-FDR to leave the government negotiating table.

Military intelligence said that the documents on this plan were discovered in terrorist hideouts during operations carried out in Morazan and San Miguel departments.

The documents have been analyzed, and the Defense Ministry is expected to publish them this week.

Among other things, the plan involves street marches to protest the cost of living; union strikes; marches to the presidential palace, government offices, and embassies; and the armed take-over of schools.

Government Communique Says Dialogue To Continue

PA0509043090 San Salvador LA PRENSA GRAFICA in Spanish 31 Aug 90 p 51

[Communique issued by the government in San Salvador on 29 August: "Despite the Step Back by the Farabundo Marti National Liberation Front, the Dialogue Process Continues"]

[Text] In the days following the fifth dialogue meeting held in Costa Rica between the representatives of the Salvadoran Government and the FMLN [Farabundo Marti National Liberation Front], many pessimistic comments distorting what really occurred during that meeting have been circulating in the country, with the evident intention of spreading disinformation and helping the FMLN's political propaganda strategy.

Recently created front organizations of the FMLN have joined other organizations known to be ideologically identified with the FMLN, with the clear intention of orchestrating a propaganda campaign to create among the people negative feelings and frustration about the dialogue. At the international level, they are trying to revive the FMLN's propaganda offensive against our Armed Forces. At the same time, because of immediate electoral political interests, some politicians are playing into the hands of the FMLN, voicing opinions that do not conform to the real situation of the peace process. Therefore, the government believes it is important that it clearly establish the following points so that our people will not be deceived:

1. From the beginning of our administration, the government has shown its clear political will to seek, through the civilized means of dialogue, overall agreements that will end the armed confrontation that kills and destroys our people. To this end, the government, under the mediation of the UN secretary general, signed the Geneva agreement with the FMLN, which serves as the framework for the peace process. In all moments of the peace process, the government commission has maintained a positive, open, and flexible position in the search for solutions to the established topics.

2. Unfortunately, in the recent meeting in Costa Rica, the FMLN presented a regressive position for the purpose of blocking possible agreements, particularly regarding the Armed Forces. The 33-point document presented by the government on this subject—a document that the FMLN made public, violating the principle of confidentiality—provided serious replies to the FMLN's original position so as to reach definitive agreements on that and other subjects included in the dialogue agenda.

The FMLN, which is using a strategy to bog down the process because of the internal disagreements within its ranks, presented a position that signified a regression and returned to points that had already been addressed in the dialogue.

That is the truth, which, for obvious reasons, the organizations that play the FMLN's game do not say or accept. Instead of trying to confuse the people, they should demand that the FMLN faithfully comply with the agreement on human rights and stop affecting the civilian population.

3. Salvadoran people: Despite the provocations by the FMLN and its front organizations, the Government of the Republic will continue making every effort to obtain the peace that the Salvadorans want so much. It also reiterates its absolute determination to continue seeking an overall and definitive solution to the armed conflict through the process that is being carried out. At the same time, it issues a vigorous appeal to the Salvadoran people to remain attentive to the peace process. Despite the disinformation campaigns by the FMLN and its accomplices, the people should maintain a positive and optimistic attitude, becoming promoters of peace.

Government of El Salvador

29 August 1990

Foreign Minister Asks for ONUCA Assistance

PA0509012590 San Salvador Canal Doce Television in Spanish 0308 GMT 4 Sep 90

[Text] Salvadoran Foreign Minister Jose Manuel Pacas Castro has condemned the shipments of weapons for the guerrillas and stated that he asked for UN cooperation after an arsenal was seized the week of 26 August in Honduras.

During the ceremonies marking the First Civic Week, which are being held in the Gerardo Barrios Plaza, the foreign minister specifically pointed out today that the defense of sovereignty is one of the main objectives of this government. To this effect, he condemned a shipment of weapons that was seized the week of 26 August. It was reported that the Honduran authorities arrested a French female after she tried to smuggle in war materiel in a van with Belgian license plates at a point along the Honduran-Nicaraguan border. As a result of this, our government has asked for cooperation from the UN Observer Group in Central America, ONUCA.

[Begin Pacas recording] We have asked ONUCA to send specialized personnel to reinforce surveillance along the border points where we have officials posted. This incident confirms that arms trafficking is taking place not only through the unusual points, through the mountains where we have no control posts, but also through the normal border posts. [end recording]

In 1987, the Central American presidents signed a treaty in which they committed themselves not to allow their territories to be used to attack others. That treaty is known as Esquipulas II, and based on this, Foreign Minister Pacas Castro insists there will not be a formal protest against the Chamorro government because her country signed that agreement. Therefore, it is believed that the treaty has not been violated.

[Begin Pacas recording] The Chamorro government in Nicaragua is most probably complying with the commitments of Esquipulas II. These are probably actions that cannot be controlled by the government. [end recording]

Within a spirit of patriotism, the representatives of the Foreign Ministry called for national unity in these times of crisis of our nation. They also urged the FMLN [Farabundo Marti National Liberation Front] to find a peaceful solution to the conflict.

Roundup of FMLN Activity for 23 Aug-1 Sep

PA0309161490

[Editorial Report] San Salvador LA PRENSA GRAFICA in Spanish on 23 August on page 17 carries a 200-word report on a Salvadoran Armed Forces Press Committee, Coprefa, bulletin which says that "terrorist groups sustained eight casualties during a clash with the Cuscatlan Battalion near Guatajiagua, Morazan Department." The report says that the clash, which lasted two hours, started at 1000 GMT when the battalion sighted terrorist columns moving near the town of Pajiagua Arriba. It also says that "soldiers found the bodies of eight rebels in various places and seized an AK-47 rifle, an M-16, radio equipment, and several explosive devices." The same bulletin adds that the marine battalion reported another clash in "El Zamoran mountain, Jiquilisco, Usulutan Department, in which one rebel was killed and three were wounded." It also says that the soldiers seized diving equipment and war materiel and that "the Armed Forces sustained no casualties in either of the two clashes."

San Salvador Canal Doce Television in Spanish at 0300 GMT on 25 August broadcasts a two-minute report on a Farabundo Marti National Liberation Front [FMLN] ambush on a military vehicle in Aguilares jurisdiction, on the 31 km marker of the northern main road. The report says that "the rebels set off a land mine in front of

4th Brigade truck which was transporting wounded soldiers to the Military Hospital in San Salvador. Subsergeant Luis Humberto Munoz and soldier Jose Alcides Rivas were killed in the attack while four other soldiers were wounded by shrapnel." The same report adds that a large portion of the eastern part of the country was left without power "due to the FMLN's dynamite attacks of the night of 24 August in San Miguel Department." According to the report, two main power lines were damaged after the rebels destroyed several structures. The report adds that because of those attacks electricity is being temporarily rationed throughout the four departments in eastern El Salvador.

San Salvador Radio Cadena YSKL in Spanish at 1220 GMT on 27 August broadcasts a two-minute report that says "two soldiers were killed and three others wounded during a military operation near San Jose Las Flores, Chalatenango Department. A colonel and a second-lieutenant were also wounded." The report adds that Col. Camilo Hernandez, who is on parole after being accused of covering up evidence in the Jesuits' murder case, was slightly wounded by shrapnel from an explosive device.

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0026 GMT on 30 August broadcasts a communique from the FMLN's Anastasio Aquino Paracentral Front which says that, in accordance with the Geneva Agreements and the human rights agreement signed in San Jose between the FMLN and the Salvadoran Government, "and following orders from our general command, on 27 August at 1830 GMT, we released soldier Benigno Alfredo Lara Cruz to the International Red Cross Committee." The communique adds that Lara Cruz was captured by FMLN forces during a clash on 14 August on the Pan-American Highway in El Sitio hamlet, San Vicente Department. The communique also says that the soldier was released to the Red Cross on La Quesera ranch in Apastepeque jurisdiction, San Vicente Department. The communique adds that "the FMLN urges the Salvadoran Armed Forces High Command to respect those agreements and immediately stop the repression, capture, and disappearance of combatants and civilians."

During that same cast, Radio Venceremos aired a three-minute battle report indicating that at 2040 GMT on 25 August, FMLN urban commands in San Salvador "launched a grenade attack on soldiers who were guarding a Shell gas station near La Cascada, inflicting six casualties on the National Guard."

The report adds that at 1530 GMT on 28 August FMLN columns clashed with troops of the 3d Battalion of the No. 1 Military Detachment in El Cielo hill, Quetzaltepeque municipality. The report adds that "as a result of this clash, one casualty was inflicted on the demoralized troops of the No. 1 Military Detachment."

Paris AFP in Spanish at 0446 GMT on 1 September reports that the FMLN issued a military report on that date in which they say that they inflicted 633 casualties on the Armed Forces during clashes in August. The AFP report states that "the guerrilla also reported that 20 soldiers were captured during August's clashes and turned over to delegates of the International Red Cross." The report also states that the FMLN seized 73 weapons, shot down a helicopter, and damaged seven airplanes, and that most of the clashes were staged in Chalatenango Department. The report adds that "131 power structures, including pylons and towers, were blown up by the FMLN during August."

Guatemala

Armed Forces Deny Changes Prompt 'Uprising'

PA0409212590 Panama City ACAN in Spanish 1949 GMT 4 Sep 90

[Text] Guatemala City, 4 Sep (ACAN-EFE)—The Guatemalan Armed Forces today denied there has been an alleged military uprising due to disagreements over changes in the General Staff and over the nonparticipation of retired General Efrain Rios Montt as a presidential candidate.

Deputy Defense Minister General Raul Molina said there has not been any military uprising to disrupt institutional order and that the changes in the military echelon are routine.

Brigadier General Roberto Enrique Mata took office on Monday [3 Sep] as the new chief of the General Staff, replacing General Juan Jose Marroquin, who had held that post since 30 June.

Also, General Luis Enrique Mendoza was appointed deputy chief of the General Staff, and General Jose Benedicto Ortega, who until yesterday was commander of the "Mariscal Zavala" Brigade, took over the post of Armed Forces inspector general.

Rumors of an alleged military uprising have been circulating since last night in political circles. It was said that it had also been caused because General Rios Montt was not allowed to participate as a presidential candidate. General Molina, however, explained that in that respect the Army does not have any political say.

The Supreme Electoral Tribunal confirmed last week that Gen. Rios Montt, who led a coup d'etat in 1982, cannot run as a presidential candidate because of "constitutional hindrances."

The deputy defense minister said that what happened at the "Mariscal Zavala" Brigade near the capital is that the Army began to destroy unused explosives last night.

New Armed Forces Assignments Noted

PA0409223790 Guatemala City EL GRAFICO in Spanish 4 Sep 90 p 7

[Text] Guatemala City, 4 Sep—The unexpected changes in the military high command only two months before the 11 November general elections have stupefied and confused citizens.

Following are the changes announced yesterday by the Army Information Department in accordance with the government decree dated 1 September. Brigadier General Roberto Enrique Mata Galvez was appointed chief of staff of national defense, to replace General Juan Jose Marroquin Siliezar. General Luis Enrique Mendoza Garcia was appointed deputy chief of staff of the national defense, to replace General Jose Benedicto Ortega Gomez, who in turn has been appointed inspector general of the Army.

This news has caused uncertainty, not just because there are only two months before the elections take place, but also because Gen. Marroquin, who has been replaced by Gen. Mata, was sworn in on 30 June, barely two months ago.

At that time, Army Division General Hector Alejandro Gramajo Morales, who was defense minister, and Brigadier General Manuel Antonio Callejas, who was chief of staff of the national defense, were discharged from the Army.

The official Army communique did not say what Gen. Marroquin's status will be now that he has been removed as defense minister. He still has at least one more year of service in the Army, according to the Armed Forces register.

Gen. Mata, who was chief of staff during President Vinicio Cerezo's government, had lately been commander of the Army's General Headquarters and of Military Zone 19 headquartered in Huehuetenango, from where he was transferred to the post of deputy chief of staff of national defense.

The people are wondering about the implications of these changes in the military command at a time when the DCG [Guatemalan Christian Democracy] administration is drawing to a close.

URNG Issues Communique on CACIF Meeting

PA0509031690 Guatemala City SIGLO VEINTIUNO in Spanish 2 Sep 90 p 3

[Text] The General Command of the Guatemalan National Revolutionary Unity (URNG) issued an official communique at the end of the meeting between guerrilla leaders and representatives of the Guatemalan business sector. It stated that the talks held in Ottawa, Canada, were a significant contribution to the peace process in Guatemala.

According to the URNG communique, the meeting with the CACIF [Coordinating Committee of Farming, Commercial, Industrial, and Financial Associations] was held in a constructive atmosphere of mutual respect, in which both sides were able to broadly make known and explain their positions.

The URNG command "believes it is especially important that this forum for mutual understanding took place because it significantly contributes to the peace process and to the political solution of the armed internal conflict in our country."

The URNG stated that it was a historic event that both sides confirmed their political willingness to undertake necessary efforts to obtain peace.

The URNG command expressed its satisfaction over the successful conclusion of the meeting and said it hopes this communication can continue.

The URNG recognized the efforts of Monsignor Rodolfo Quezada Toruno and the National Reconciliation Commission in organizing the meeting, and applauded the presence of Mr. Francese Vendrell, personal representative of the UN secretary general.

The commanders also thanked the Canadian Government and people for the hospitality shown to the participants, which was a decisive factor in holding the dialogue.

Defense Minister Pleased With Talks

PA0509034890 Guatemala City EL GRAFICO in Spanish 3 Sep 90 p 3

[Text] "The Guatemalan Army is pleased with all the efforts being carried out to obtain the reconciliation of the Guatemalan family," said Defense Minister General Juan Leonel Bolanos Chavez on Sunday, 2 September. The general made this statement regarding the meeting held by the high command of the Guatemalan National Revolutionary Unity, URNG, and the Coordinating Committee for Farming, Commercial, Industrial, and Financial Associations, CACIF. The URNG high command met with the CACIF in Ottawa in an attempt to jointly find peace solutions for Guatemala.

Regarding this meeting, the defense minister said: "This is the goal that the Guatemalan Army proclaimed in 1982 in 14 basic points, which, in brief, were oriented toward reconciling the Guatemalan family."

The general said: "Talks with all the political, economic, and social sectors are currently being held in search for a common ground to allow for a future dialogue between the government and the rebels." He added: "At the same time, what is being pursued is to obtain a consensus among all the sectors in case the participation of these gentlemen (URNG) in the political arena is accepted, and that same consensus paves the way for them to be incorporated without any problem."

The general reiterated that the talks held between the URNG high command and the CACIF are positive, concluding that the Guatemalan Army is pleased with these efforts.

'Peace Court' Grants Amnesty to Rios Montt

PA0509033790 Paris AFP in Spanish 0148 GMT 5 Sep 90

[Text] Guatemala City, 4 Sep (AFP)—It was officially reported that a peace court granted political amnesty to former president General Efrain Rios Montt one day after the Supreme Electoral Tribunal [TSE] definitively denied him the right to register as a presidential candidate.

Judge Miguel Espana ruled in favor of a petition that Rios Montt filed on 3 September with a peace court in Jutiapa Department, eastern Guatemala. The petition was supported by a 1988 decree granting political amnesty to those who have been accused of participating in a coup d'etat.

The judge's ruling was made one day after the TSE definitively denied Rios Montt the right to register as a presidential candidate. The TSE's denial was based on Article 186 of Guatemala's political constitution which bans individuals accused of participating in a coup d'etat from running for the presidency.

However, the final decision on Rios Montt's registration will come from the Supreme Court of Justice, which will receive an appeal against the TSE's resolution before 7 September. The appeal will be presented by the No Sell-Out Platform, formed by four small parties that support Rios Montt's candidacy.

Juan Callejas, the retired general's campaign manager, told AFP that "the moment he was granted amnesty, Rios Montt, who ruled Guatemala for 16 months after a coup d'etat in 1982, is a clean man and a common civilian with all of his rights." Rios Montt was also overthrown by a military coup d'etat in 1983.

However, official sources told AFP that several officers, after being accused by President Cerezo's government of participating in a coup attempt in May 1988, were ingratiated by the same amnesty decree applied to Rios Montt.

Bishops Say 'Not Everything Is Lost' for Country

PA0209193790 Guatemala City EL GRAFICO in Spanish 27 Aug 90 p4

[Text] In a message entitled "Guatemala Is Everyone's Task," the Episcopal Conference states that not everything is lost for Guatemala and that there are great possibilities for rebuilding it through voting. This document was disclosed at a news conference in which people were urged to vote.

The communique notes that now, when general elections have been announced according to a constitutional mandate, the bishops of Guatemala want to share certain considerations that will help us conscientiously and effectively participate in the current electoral process.

It adds that taking a look at our fatherland, which is viewed as a community of people who live in a society, the bishops have discovered a series of positive aspects that must be taken into account.

They are:

1. Widespread rejection of abuse of power, corruption, injustice, and human rights violations.

2. A general effort to live in freedom and peace, a people's and group effort.

3. A willingness to find a solution to national problems through dialogue.

4. A greater awareness of the value of nature and the need to defend the environment.

5. A desire to stabilize the democratic process.

However, the Episcopal Conference states that the bishops deplore that the social situation has deteriorated in certain aspects, such as:

1. An increase in poverty, the high cost of living, unemployment, and underemployment, resulting in a growing gap between the rich and poor.

2. A loss in human and moral values.

3. Prevalence of violence, kidnappings, murders, and robberies.

4. Corruption in the public and private administration.

5. Social vacuums such as:

a) education, health, and housing problems have not been solved effectively.

b) the continuation of the internal armed conflict with all its consequences.

c) injustice and the deficient administration of justice in the country.

6. The negative influence of certain fundamentalist sects that favor a lack of commitment in resolving Guatemala's human and economic problems.

The bishops say that there are many aspects of the country's situation that must be changes—the positive aspects must be improved and the negative eliminated.

They add that these changes are everyone's responsibility, without exception. They note that one specific opportunity to participate in these changes is by voting.

With regard to this, the Pastoral Letter of 1985, "The Truth Will Set You Free," stated: "By voting, a citizen

delegates part of the responsibility that he has to seek the good of all. He delegates that responsibility on one or several individuals to whom he entrusts the nation's development in peace."

Consequently, voting is a right, but it is also a duty. Those who abstain from voting are weakening the social structure and causing great harm to the community. No one should abstain from voting. Not even when the voter, for very sound reasons, feels that none of the candidates meet the requirements to run a good administration. Under such circumstances, the voter must choose the candidate he feels is the least bad.

Government Denies Rumors of Raid Into Mexico

PA3108173190 Mexico City NOTIMEX in Spanish 0237 GMT 31 Aug 90

[Text] Guatemala City, 29 Aug (NOTIMEX)—The Guatemalan Foreign Ministry today denied having received any reports on an alleged raid by Guatemalan soldiers into Mexican refugee camps.

"We have received no official report from the Mexican Government" on this alleged raid, Guatemalan Foreign Minister Ariel Rivera said.

According to press dispatches published in Mexico City this week, the raid by Guatemalan soldiers into Mexican territory took place early in August.

Rivera said that the Foreign Ministry, which is looking into these rumors, attributed them to "some group trying to damage the excellent relations between Mexico and Guatemala regarding refugees."

He also said that at present the two governments are trying to find a "new solution" to the problem posed by more than 40,000 Guatemalan refugees living in Mexican territory.

URNG Report Lists Operations For This Year

PA3108191090 Guatemala City SIGLO VEINTIUNO in Spanish 29 Aug 90 p 6

[Text] This month, URNG [Guatemalan National Revolutionary Unity] members have carried out "111 operations during which they inflicted 140 casualties on the Army, damaged two helicopters, and destroyed two trucks," according to a "war report" sent surreptitiously to our office.

The clandestine document claims that the Army has indiscriminately shelled various communities in the Department of Quiche, mainly in the Chajul District, which has been shelled with 105-mm mortar rounds.

The URNG demands the intervention of international human rights organizations to confirm the indiscriminate shelling. The report adds that between January and July of this year, in the areas in conflict in "different armed clashes, the URNG has inflicted 1,493 casualties on the Army; damaged a PC-7 Pilatus airplane and a light military plane; downed one helicopter and damaged 16 others; destroyed five military trucks; destroyed three armored vehicles and a military launch in La Pasion River; and seized 58 weapons, ammunition, and communications equipment."

Honduras

Callejas: Willing To Send Force to Gulf

PA0209024790 Hamburg DPA in Spanish 2040 GMT 1 Sep 90

[Text] Tegucigalpa, 1 Sep (DPA)—Honduran President Rafael Leonardo Callejas has said in Tegucigalpa that he is willing to send a "symbolic" military force to the Persian Gulf to back the UN resolutions against the Iraqi Government.

Callejas is the first Latin American president to refer to the military aspect to resolve the Persian Gulf conflict. Callejas criticized President Saddam Husayn's attitude following Iraq's invasion of Kuwait on 2 August.

"Honduras, despite its limitations, is willing to complement the UN Security Council's resolutions," President Callejas said. On the specific topic of military support to the blockade led by the United States, the Honduran president replied that if Honduras' presence is required to back the UN Security Council's resolution, it will be done. He said that Honduras' military presence in the Persian Gulf would be "symbolic," but that he would prefer that a "peace force" be formed.

According to official sources, Honduras has more than 20,000 armed men between the regular army and the police, an armored company, and a fleet of F-5 airplanes.

Nicaragua

Mothers of War Disabled Occupy TV Station

PA0409135990 Managua Radio Sandino in Spanish 1233 GMT 4 Sep 90

[Text] The mothers of heroes and martyrs and the members of the Organization of Revolutionary Disabled [ORD] continue occupying the main transmission installations of the Sistema Nacional de Television. That is why channels two and six have not been on the air since last night. They are demanding that the Nicaraguan Social Security and Welfare Institute [INSSBI] increase pensions for the war disabled. The pensions range from eight or nine gold cordobas to 18 gold cordobas. Some receive pensions of as low as five gold cordobas. This situation has led to desperate demands from the mothers to the central government and the INSSBI authorities. In one way or another, the mothers support the demands by the ORD.

The government has not listened to their demands. It has not even responded to their call for a dialogue. The government's refusal to hold a dialogue with them has

worsened the situation. Yesterday, a demonstration was staged by the ORD and the mothers of heroes to try to talk with President Chamorro. However, they were unable to talk with her. They then seized the installations of channel six of the Sistema Nacional de Television. This has brought the problem to the people's attention.

One of their complaints is that the disabled or demobilized contras receive a better pension than those who were members of the Sandinist People's Army. There is great injustice in this. This is why the mothers of heroes and martyrs have taken the offensive and are supporting the ORD's demands.

The television installations are occupied. The government has proposed that they leave the installations. As of now, we have not heard of any offer to negotiate. The government has asked them to leave the building and it has been said that the pensions for the war disabled, war orphans, and retirees will be reviewd, but this review will not begin a dialogue.

What will happen in the next few hours? Will the police intervene? The residents of the Bolonia neighborhood, where the state television transmission installations are located, have expressed solidarity with the war disabled. The police are there. This delicate situation should be solved through dialogue. We cannot have injustice in the country. It is unfair that someone who is disabled and who has the right to be protected is only given five gold cordobas, the cost of a package of [words indistinct]. In view of this situation, there is tension and the pressure of the mothers and ORD members increases.

Will Stay as Long as Necessary

PA0409145590 Managua Radio Sandino in Spanish 1237 GMT 4 Sep 90

[Report by unidentified reporter from area near Sistema Nacional de Television's main studios in Mangua on 4 September— recorded]

[Text] [Begin recording] [Reporter] It's 0600, and we are now near the central studios of Sistema Nacional de Television. We are talking to a group of young men around the building. What is the situation now? What is happening here?

[First unidentified speaker] Since yesterday, for approximately the past 11 hours, a group of fellow war disabled, mothers of fallen soldiers, some widows, and mothers of orphans decided to seize the television station's central studios to take channels six and two off the air. We believe this situation was prompted by the the lack of [word indistinct] and responsibility on the part of the government, which did not want to hear our demands. The Organization of Revolutionary Disabled [ORD] members held two meetings with Presidency Minister Antonio Lacayo and his first secretary, respectively. "In the first meeting, Lacayo pledged to provide a satisfactory response to the groups' demands, chiefly regarding the topic of pensions, which is the most pressing problem. [words indistinct] do not understand the situation. On 31 August, ORD members met with the minister and the first secretary. He [not further identified] announced that only 1,000 pensions out of 29,000 pensions for war disabled were going to be increased. Also, the amount to be increased of those 1,000 pensions is ludicrous. That amount was really a way to make fun of them, since that would entail a raise of 21 to 22 million cordobas.

Right now, 22 million is not enough to make ends meet. We are basing this on the government's criteria of granting the increase to the neediest. The government has said that the neediest would receive 22 million. How much will be given to the disabled who have lost an arm, an eye, or a foot, or how much will be given to a mother, a widow, or an orphan? This situation is tense, and it prompted us to take actions like the one we took yesterday. We had exhausted all the means available to us. Everywhere we went we found demagoguery and lack of responsibility and coordination among government officials. One says one thing, and another does something else.

The comrades who are here taking over the central studios will stay here as long as necessary. We do not believe that we can trust the promises that have been made regarding meeting us tomorrow or the day after. This did not work before and the attitude that was displayed was not very positive.

[Reporter] Are you here as protesters?

[Second unidentified speaker] We are war disabled. As the other war disabled guy said, we have faced very tough times because of our pensions. We must support our families. Right now, we do not receive pensions but alms. During the Sandinist government, our food, the welfare of our families, and our future were assured. We are making known our plight by taking over this television station.

Demand Higher Pensions, Dialogue

PA0509001390 Panama City ACAN in Spanish 2314 GMT 4 Sep 90

[Text] Managua, 4 Sep (ACAN-EFE)—Nicaragua's only two television channels are still off the air today and in the hands of approximately 100 disabled war veterans and mothers of "Sandinist martyrs".

The demonstrators seized the state television station's "master controls" as a means of gaining an interview with President Violeta Chamorro.

Spokesmen for the group, which occupied the two-story building, told ACAN-EFE that they have rejected the pension readjustment for disabled soldiers announced by the Chamorro government on 31 August.

Fernando Lopez, one of the spokesmen for the disabled groups, said that with the government readjustment plan, which goes into effect in September, they will

receive a total of 22 million cordobas ($22) monthly, but with the weekly devaluations they will lose their increase.

Lopez, sitting in a wheelchair and holding papers of statistics on the disabled soldiers' situation, warned that in order for them to surrender the building the government must officially announce that their pensions will be raised to $66.

Following this arrangement, the maimed soldiers would pledge to meet with government authorities to continue negotiating their other demands, which would benefit 74,000 people who receive state pensions.

The 6,000 disabled veterans in the "Che Guevara" Organization for Disabled Revolutionaries (ORD) are leading a movement to protect the interests of 16,000 war orphans and other persons who receive "special pensions."

This afternoon the ORD designated a special delegation formed by Lopez and Evelio Jarquin, who are "prepared" to participate in negotiations with government representatives if Chamorro's representatives summon them to seek a solution to the conflict.

Honduran Boat Fires at Nicaraguan Navy Warships

PA0409152390 Managua Domestic Service in Spanish 1339 GMT 4 Sep 90

[Text] International news agencies are reporting today on an incident, which we covered yesterday, regarding shots that were fired by a Honduran military patrol boat at Nicaraguan Navy warships in the Gulf of Fonseca.

According to the report, released by the Government Ministry, the Honduran patrol boat was given a warning near a place called (?Los Pabellones) and was told that it was sailing in Nicaraguan waters, but the crew of the ship responded by firing shots. Fortunately, there were no victims in the incident.

An official protest note will be sent to our brother country to the north. A mixed commission which will be in charge of avoiding or countering these types of incidents along the borders and around bordering sea waters in the Atlantic and Pacific will be created soon.

Workers To Strike Over Government 'Indifference'

PA0509044590 Managua BARRICADA in Spanish 4 Sep 90 pp 1, 4

[Report by Luis Valverde]

[Text] On 3 September 40,000 finance, sugarmill, construction, and metalworking workers announced partial strikes—that could later become general strikes—if government indifference toward their social and labor demands continues.

The escalated strike period began in most banks throughout the country at 1300 on 3 September. In a synchronized manner, 12,000 bank employees stopped serving the public because Central Bank officials declared that they were too "incompetent" to respond to their demands for a 145 percent salary adjustment.

At the same time, farmers and representatives of more than 12,000 agricultural workers "occupied" the main offices of the BND [National Development Bank] in Matagalpa yesterday. After holding these offices for six hours, the agricultural representatives managed to get the bank to advance them 125,000 cordobas of the total 350,000 cordobas demanded by agricultural firms to cover payrolls and food allotments.

This week, some 13,000 sugarmill workers, 5,000 textile-apparel workers, and 7,000 construction workers will join the bank workers' partial strikes to demand that the government accept their social and labor demands.

These labor sectors reject government attempts to reduce their wages and demand financing for industrial restoration and compliance with the 12 July agreement that ended the national strike.

The Bank Workers Federation [Federacion de Trabajadores Bancarios] members decided to stop serving the public at 1300 every day after they concluded that Nicaragua Central Bank [BCN] President Francisco Mayorga, National Financial Corporation [Corfin] President Luis Angel Montenegro, and all bank managers were "making fun" [boleando] of the union by declaring that they were too "incompetent" to respond to their demands for a 154 percent salary increase.

Union leaders from the mentioned sectors have stated that the decision to hold escalated strikes was made after all legal resources had been exhausted. Bank Workers Federation Secretary Pedro Turcios stated that the purchasing power of bank workers' wages had diminished 63 percent. Bank employees had a minimum wage equivalent to $146 in May. However, last week's currency devaluation decreased the purchasing power of the $146 salary to $70.

The Bank Workers Federation sent a written demand for a wage readjustment last month first to BCN President Mayorga, then to Corfin President Montenegro, and then to all bank managers. None of the officials answered the wage readjustment demands, and they all said: "We are not authorized to decide on wages." Turcios said this response was akin to "making fun" of the union.

"We have exhausted all mechanisms to solve the problem through dialogue. Now they cannot say that workers do not let President Violeta govern," said Pedro Turcios. He added "It is no lie that bank employees have to borrow money to pay for their bus fares."

National Workers Front spokesmen announced last night that 1,100 German Pomares Ordonez Sugarmill workers in Chinandega have gone on strike to reject the new Conazcucar Enterprise wage policy. The firm implemented its policy this pay period, without consulting

with workers. The policy reduces the basic $154 monthly salary of 13,000 sugar cane workers in seven sugarmills to only $120. German Pomares Ordonez Sugarmill workers were the first to receive the reduced wages this pay period.

The 13,000 sugarcane workers also demand that the government authorize the disbursement of the $28 million—resulting from the sale of last year's sugarcane harvest—to be able to comply with the six million quintales goal set for the 1990-1991 sugarcane harvest.

Also, some 10,000 construction workers are deciding on the actions they will take because the government has refused to continue financing projects that would allow them to have stability. After a two-hour meeting, Sovipe Engineers Enterprise workers concluded that they "would rather set the company on fire than allow it to be returned to Enrique "El Tiburon" Pereira [not further identified]." Construction workers leader Julio Romero said that while the workers, who got Sovipe Engineers Enterprise back on its feet, are fired, government "makes crooked deals to return the enterprise to "El Tiburon" Pereira. We, however, will not give them this pleasure."

Ortega Notes Points of Agreement in Government

PA0309181590 Managua Domestic Service in Spanish 2054 GMT 31 Aug 90

[Speech by Sandinist National Liberation Front [FSLN] Commander of the Revolution Daniel Ortega at the opening of a forum on modernizing the country and democracy at the auditorium of the University of Nicaragua in Managua—live]

[Text] This is another Face the People program. The Face the People programs began during the days of the Sandinist People's Revolution in Nicaragua. I recall that back in 1985 a serious attempt was made to reach concerted efforts. Back then, and thanks to efforts of the revolution, workers, businessmen, and leaders met under the same roof at the Government House. However, some sectors believed that the climate was not appropriate for reaching concerted efforts. That appropriate climate was being demanded by groups that would never have found the right climate as long as the revolutionary process was under way in Nicaragua. It was not possible to reach concerted efforts with all the sectors; however, it was possible to get a concerted effort from the workers and the peasants. This situation allowed us to defend the revolutionary achievements from foreign aggression. However, those other sectors were never able to understand the role of vanguard being played by the FSLN. The FSLN was, is, and will continue to be a party with votes and voters.

While still a minority group, the FSLN took the lead in overthrowing the Somoza dictatorship. In 1967, Somoza and the Conservative Party undertook a concerted effort. This was later to be known as the Kupia-Kumi Pact. They reached an agreement. The Conservative Party, then in government, turned its back on the people. An agreement between Somoza and the Conservative Party was reached. A pact, or whatever you may wish to call it, was signed. However, when those agreements were being reached, the problems of the Nicaraguan people and the country were not taken into consideration. Even though it was a minority party, the FSLN continued to fight to overthrow Somoza. The FSLN fought against the will of many political, business, and industrial leaders who believed that the FSLN was wrong because it was trying to destroy the Somozist dictatorship. But in the end, the justice that the FSLN fought for was achieved and the Somozist dictatorship was overthrown.

We attained power and had to face the imperialist aggression. During the imperialist aggression we sought agreements with all the patriotic sectors. We told them that we must unite to defend the homeland and Nicaragua. However, the actions of the imperialists were more powerful and agreements were not possible with important sectors of our society that, on a daily basis, through their statements and media, promoted a destructive policy, a destructive opposition policy against the revolutionary government. However, an agreement was reached with the patriotic sectors, and this is how in 1984 we were able to hold the first free elections in Nicaraguan history. A national constituent assembly was the result of those free elections and from that assembly came our Constitution, the same constitution that the new government swore to respect on 25 April 1990.

Therefore, democracy did not begin to emerge after 25 April 1990; democracy emerged in Nicaragua on 19 July 1979. This democracy was strengthened with a very clear and bipartisan policy of a mixed economy and nonalignment. This democracy emerged before the days of the perestroyka. It was a policy drafted and defended by the Nicaraguan people. We held our first free elections and drafted our Constitution. We also held the second elections under conditions that were totally disadvantageous for the people because they were not free to vote as they pleased because they had the Yankee cannons pointed at their heads. But, there was no other alternative. The only other alternative was to continue the war, continue the aggression, continue confronting the contras, and asking our people to be heroic and to make sacrifices. The elections were definitely institutionalized. Elections were held in 1990. These elections were held and the results are well known. Since then we have stopped believing in polls because all the polls, even the U.S. polls, and the U.S. Government said that the FSLN would win by a landslide. [applause]

We are gathered here this afternoon with a different spirit and within a different atmosphere despite the [word indistinct]. Today's spirit and atmosphere are very different from the spirit and atmosphere, despite the air conditioning, that prevailed at the Government House in 1985 when the opposition and the unions met. Back then the disapperance of the revolution was demanded as a precondition for the appropriate climate. The climate here is quite different. We are not here to demand that the current

government disappear so that the right climate can prevail. On the contrary, we are here to find points of agreement among the Nicaraguan people. We will always defend the country's interests, putting aside our private and party interests. The FSLN has always been the vanguard in the defense of the country's interests. When the FSLN defends pluralism, a mixed economy, and nonalignment it is defending the country's interests. When the FSLN defends the Nicaraguan people's democracy, it is defending the country's interests. When the FSLN defends Nicaragua against imperialist aggression, it is defending the country's interests.

Now once again we must defend the country's interests. The country's interests are being jeopardized and not only by certain political forces. The country's interests are being jeopardized by what is going on. The Bible says: They will be known by their deeds. [applause] And this is where the problem lies. There is a will to reconcile, but with revanchist policies. More than 3,000 government workers have been fired. The fact that more than 3,000 government workers have been fired means that a policy to [words indistinct]. We can understand the firing of 3,000 government workers if their positions were also abolished. But to fire 3,000 government workers and then replace them with more than 2,000 ruling party supporters is something else. That is a revanchist policy.

Also, the government issued a destabilizing decree when it issued Decree 190. I am not trying to blame a specific person or persons for this. This decree represents the political behavior of some forces who assumed power as a result of the people's votes which were cast on 25 February. Even though it is true that the country demands stability, this stability must be defended by rulers as well as by the people. If the rulers adopt destabilizing measures, then, just as the government has the right and responsibility to rule, the people have the right and the duty to protest and question the government's actions. The people have the right to exercise their power. The people do not lose this power when they cast a vote favoring a specific person.

I recall an example of this. It happened in the United States. It is not a good example of democracy. [Words indistinct] minority in the United States, but in the long run, power continues to receive [word indistinct]. If this were not the case, then how would we explain the fact that after the U.S. people voted for President Richard Nixon he was later impeached. This was in violation of the will of the people. When the people cast their votes, they are not voting on the length of time a person spends in office. When the people vote, they do so in the hopes that the person they are voting for will do things correctly. But that same voter has every right to question the behavior of the person he voted for if he feels that the person he voted for is not doing what he should be doing.

Stability is necessary for Nicaragua. No one doubts this. However, when we see things like this happening, things like those decrees I mentioned, decrees 1090, 1190, 190, we believe that the (?revolutionary process) is being attacked. The government has rights and duties. The government can do what it wants, but our will will always prevail. Our will will always prevail in all that we do in our lives; it will prevail in our personal, political, family, religious, and social life. Then what can we do? We always clash with reality and reality has limits. Rulers have their limits and these limits are marked by reality.

It is necessary to struggle for stability in Nicaragua, but to achieve stability, we must first reconcile the Nicaraguan people and this is not done by taking land from the peasants and cooperatives or by taking houses from families or by dismissing workers from their jobs. Yes, we must struggle, but we must struggle against inflation, against the trend toward hyperinflation. But how? How can we fight this? It can be done with monetary policies, [word indistinct] policies. Policies like the ones which have been implemented since 25 April. The government has $47 million in reserves and this money should not be used to protect the gold cordoba. The gold cordoba is not the solution to the Nicaraguan economic problems. The gold cordoba is not the solution for the problems of any Third World country or Latin American country. If it were the solution, all those countries would have already created their own gold cordoba. [applause] Those of us who are here today know the solution to the economic problems, to inflation. All we must do is think about the Nicaraguan people. The only gold we have in Nicaragua is found in our mines and we do not have very much. We do not have enough gold to boost our exports or obtain foreign exchange. Even a country with lots of gold needs to invest and make efforts. The only gold Nicaragua has is its workers and the awareness of its people. That work and awareness combination is what will give us our wealth, that wealth that Nicaragua is demanding. [applause]

Agreements are necesssary and we are not talking about superficial agreements while the internal situation is crumbling. Achieving agreements does not mean that we are going to repeat the Somoza-Conservative Party days. The so-called Kupia-Kumi Pact has been proven worthless. Somozism also crumbled. If we want agreements, then we must create the necessary conditions. In the past an appropriate climate was demanded by others. Today, we are the ones demanding the appropriate climate. However, we are not demanding the kind of appropriate climate that others demanded from us. We believe that in order for agreements to become a reality in this country, so that together we may struggle against [word indistinct], it is first necessary to have a truce. Those decrees 1190, 190, and 1090 must be abolished. Those decrees were drafted to fight the trend toward hyperinflation, yet the government is asking the same people who are threatened by those decrees to support them. That is impossible. How can trust be created under those circumstances? Let us agree to struggle against the trend toward hyperinflation, but do not threaten us with that trend toward hyperinflation, do not threaten us with

those decrees 1190, 190, and 1090. Do not continue to threaten to take land away from the cooperatives or to oust people from their homes. How can we have agreements? We must first agree that agreements are needed. We all must want concerted efforts.

You may recall that before 25 February, during a news conference at the Olof Palme Convention Center, I told the reporters that after 25 February, after the FSLN had won the elections, the first thing we would do would be to summon the producers, workers, and all the forces in the country to work with a concerted effort. We said that the first thing we had to discuss was an economic plan, the type of economic plan that we would implement. Once we were sure about the economic plan that we needed and after using democratic measures to seek a consensus regarding the plan, we would then implement it. Well then, the current government has every right to adopt measures and make decisions. If it decides to implement an IMF-type plan, then it is their right to do so.

The measures that accompany the monetary plan are not going to solve the country's problems. They are destabilizing measures. These measures have unleashed strikes and work stoppages. Strikes and work stoppages are rights of the working people. A few days ago in the GDR, a million Germans went on strike. They paralyzed the whole country. The government coalition was breaking down. The agreements they had reached were being broken. All of this happened because of economic problems, unemployment, and problems with wages. No country wants to live amid strikes, work stoppages, or confrontations. Nicaragua, above all, demands stability. The solution is in the hands of the government.

If the government is truly interested in working for a concerted effort, I believe the [words indistinct]. That resolve must be accompanied by a concerted effort to fight hyperinflation with specific actions to gain the confidence of thousands and thousands of Nicaraguan families, who feel threatened today by Somozists, who have returned to Nicaragua. The truth is that Somozists have returned to Nicaragua. Well-known Somozists have returned. They [words indistinct] in this country against Somoza. We do not want that. The people do not want to return to Somoza's times and the government does not want either, but there is a void in this country. Somozists are trying to gain political opportunities at the expense of workers and peasants.

How much time is left before the year 2000? Only 10 years remain. Ten years will pass quickly. We have suffered 10 years of war imposed by the U.S. imperialism. The challenge we Nicaraguans have today, the challenge the Nicaraguan Government has today, the challenge the Nicaraguan revolutionaries have today, the challenge the workers, peasants, students, farmers, and the craftsmen have in Nicaragua today is to achieve Nicaragua's stability by the year 2000.

We need stability for the benefit of all. We are not talking about stability that favors a minority and creates hunger for the majority. This kind of stability cannot be accepted in Nicaragua.

Nicaraguans have fought for a better society for many years and no one wants to return to the past. Everyone wants to look toward the future, but logically, without giving up our utopia, our dreams, and our society, in which men are not exploited by other men, in which individual freedoms are respected, in which economic and social rights are respected, in which there is full employment, in which there is a good education, and good health services. Only then will Nicaraguans be pleased to reach the year 2000. [applause]

Politicians, Officials on Army Day Speeches

PA0309185090

[Italicized passages are recorded]

[Editorial Report] Managua Domestic Service in Spanish at 1300 GMT on 3 September broadcasts 18-minutes of reports on the reaction of various politicians and officials to the 1 September speeches by President Violeta Barrios de Chamorro and General Humberto Ortega, commander in chief of the Sandinist People's Army, EPS, on the 11th anniversary of the EPS.

Commenting on President Chamorro's speech, National Assembly Secretary Alfredo Cesar said: *Some parts of the speech are clearly addressed to extremists who might try to destabilize the country. I think the warning is very positive because in this way, the Army can contribute to the nation's stability and to the consolidation of institutions, within the framework of the Constitution and the laws in the country.* Regarding the Army pronouncement read by Gen. Humberto Ortega, Cesar said: *As a leader of a political party, I fully agree with what was expressed in the Army pronouncement. I think in general it is the policy that the government has been promoting.*

Dr. Roberto Ferrey, director of the Repatriation Institute, said Mrs. Chamorro's speech clearly told the Army that: *it must understand that it exists to defend freedom and democracy and that it must be subordinate to civilian authority.* Asked his opinion about Gen. Ortega's pronouncement, Ferrey said: *I do not understand the emphasis or the concern about alleged armed groups in the country.* He adds: *I do not think this ceremony should have been used to launch these kinds of veiled threats against some individuals or groups. I think they go against reconciliation. Instead, we must consolidate the peace we have obtained. In order to consolidate peace, we must moderate the words we use.*

Danilo Lacayo, director of information and press of the Nicaraguan Presidency, said that *as usual, Mrs. Chamorro spoke simply but clearly.* He said her speech is *one more appeal for peace and reconciliation among brothers.* Commenting on the Army pronouncement, Lacayo said: *I think we are beginning a new phase. The*

Army is beginning a phase of respect for laws. He adds: *Today, the Army recognized its respect for the Constitution, the laws, and the government.*

Colonel Hugo Torres, a member of the EPS staff, said that President Chamorro's speech *embodies the spirit that should be present in Nicaraguans in order to achieve stability in the country. It reaffirms the Army officers' belief on the need for strengthening the professional and national character of the EPS. I think it was a very appropriate speech.* Discussing the Army pronouncement, Torres said: *I think the central points in the pronuncement are respect for the Constitution and the laws, respect for the institution of the Army, and the need to have all the nation's forces participate in the concerted efforts.*

Costa Rican Public Security Minister Victor Herrera, who also attended the EPS anniversary ceremony, said: *I am very happy and pleased. I see Nicaragua moving on the path of democracy. I see an Army making known its position of respect for the Constitution and the laws. I see a president who is receptive to the Army's offer of struggling for and serving the Constitution. I think that if this situation continues, Nicaragua will very soon have a strong and pure democracy.*

Commenting on President Chamorro's speech, Gen. Humberto Ortega described her speech as *one more step in the efforts to find fair and reasonable solutions to the country's problems.* He said: *I think Mrs. Violeta's speech was one more step in the joint efforts that the Army and the Presidency, especially the president, have been carrying out since she assumed office to find the most just, adequate, and reasonable solutions to the Army's problems within the new situation of peace.*

Cesar Says 'Misunderstandings' Almost Solved

PA0109152590 Managua Radio Sandino in Spanish 1200 GMT 27 Aug 90

[Text] Alfredo Cesar feels that the problems within UNO's [National Opposition Union] Political Council are almost solved.

Cesar, the most prominent of the politicians around Mrs. Violeta Chamorro, has denied that he is a presidential adviser. He has expressed optimism about relations between the executive and legislative branches. Cesar played down the importance of the conflict within UNO and attributed UNO problems to misunderstandings that have been overcome.

We will now listen to remarks by Cesar, secretary of the National Assembly:

[Begin recording] [Cesar] First, I do not know who President Chamorro's advisers are. As far as I am concerned, I stopped being an adviser on 24 April when I took my oath as a deputy. Therefore, I have not been a Chamorro adviser since then. I am fulfilling my responsibility as a citizen by carrying out my duties in the post for which the people chose me. However, the spirit that prevails right now in the UNO Political Council is that the parties within UNO must make their own decisions.

[Reporter] Dr. Cesar, contacts between the UNO political parties and the executive branch to iron out some differences and meet the demands of a sector of the UNO Political Council have been underway for some time. What have been the results of these talks and [words indistinct]?

[Cesar] That is true, in fact President Chamorro hosted a reception to which all 51 UNO deputies were invited. The climate during this reception was friendly and we were able to talk. I attended the event. All the UNO deputies, President Chamorro, and a group of ministers were there. We exchanged views and discussed the kind of understanding that should exist between the executive and legislative branches, but maintaining, of course, the independence of branches, which is something sacred that the 51 UNO deputies defend. We will continue these contacts. It is important to keep this communication going. This will allow Mrs. Chamorro's administration to have an assembly bloc that will back the bills submitted by the Executive Branch. In general terms, the president and the deputies have vowed to support the UNO government plan and thus, there should be no great differences between the bills drafted by the Executive and Legislative Branches. There will always be some (?exceptions), as we just saw in the case of the pardon bill. There were approximately 10 out of the 51 UNO deputies who decided not to support the pardon bill submitted by President Chamorro. But in general, these talks should result in avoiding the misunderstandings of the past when there was a difference of opinion between the president and the deputies on draft bills. Both must agree on the government platform drafted by UNO in August 1989.

[Reporter] What are the main points of friction between that sector of the UNO political sector and the Executive Branch?

[Cesar] I truly do not know what is left to be solved because many misunderstandings have been overcome. [words indistinct] I think that most communications problems were solved and that the friendly climate between the executive and legislative branches has greatly improved.

[Reporter] One of the complaints by a sector of the UNO Political Council mentioned at a seminar held at the Conapro [National Confederation of Professional Associations] offices on 25 July was that it was noted that the problems of this country are political and that politicians are being sidelined in the decisionmaking process [words indistinct]. Is this a problem that is causing friction within the UNO Political Council?

[Cesar] That was one of the problems we had. It was simply a lack of communication. It was not a problem caused by Violeta's policy. It was just a lack of communication. Now that this communication has been

restored, this problem has been overcome. Therefore, the substantive positions of the Legislative Branch are very close in line with those of the president. This will result in more confident and [word indistinct] legislation for the people's welfare.

[Reporter] Would you say that the moderate, realistic, and pragmatic sectors of the UNO Political Council have become hegemonic?

[Cesar] We do not believe in hegemony. We work based on a consensus within UNO. I do agree that all the promises made by Chamorro and the deputies who were elected during the electoral campaign—national reconciliation, production, peace, and the consolidation of a peaceful coexistence among all Nicaraguans—must be kept. Undoubtedly, the UNO faction in the assembly supports all these promises. [end recording]

Panama

Police Director Remarks on Current Situation

PA0209172190 Panama City EL SIGLO in Spanish 26 Aug 90 p 32

[Article by Aneldo Arosemena—quotation marks as published]

[Text] Fernando Quezada, the new acting director of the National Police, has told EL SIGLO that procedures used during the dictatorship to prevent disturbances and carry out public order tasks are still being used. We lack procedures that are in line with democratic life," [no opening quotation marks as published] the military officer added.

Quezada stated that the institution is in the midst of a transition process and thus he described as "normal" the existence of some police procedures within the institution that are not in agreement with the country's democratic regime. As an example of this, he cited the actions of riot policemen who suppressed student demonstrations last week, an action that resulted in 22 students being wounded by birdshot.

Quezada noted that these procedures inherited from the dictatorship are incorrect in the democratic regime the country has, a regime in which laws must be respected. He said that such procedures will be eliminated through the education and training of members of the police force. "We have appointed commissions to study and review all the regulations and procedures involved in arrests, jail breaks, and civil disturbances. The new regulations will have to be backed and accepted by the Attorney General's Office because they must be within the law."

The new acting police director, who replaced Eduardo Herrera on 21 August, received this reporter in his roomy offices at the National Police, where the old traffic department of the ferocious "Papo" Cordoba was located. Quezada, an experienced man who is approximately 48 years old, thin, and with gray hair, talked to us firmly about what he feels the police force he now heads should be.

Quezada stressed that the Panamanian Defense Forces disappeared because the people wanted it that way and that it was not the Americans who made them disappear, but the people. He added that the new police force must be completely devoid of any military leaning. However, he said, if in the future there is a need for an army because of the treaties or for any other reason, it would be a decision to be made by the civilian government that is in office at the time.

Quezada said that there would be no problem should a civilian be appointed police director, as he could perfectly well join the institution. However, he warned: "This is not an easy, but a complex job." He stressed that he will be on active service in the institution for as long as the president of the republic wishes. Concerning his retirement date, he said that the 21 months he spent in Coiba prison for conspiring against Noriega are not counted; otherwise he would have completed 24 years of service.

Quezada said that former Police Director Eduardo Herrera, whose retirement was abruptly announced by President Endara, is "a fine person, a good officer, and a gentleman." He added that Herrera was in charge of the institution during the most difficult moments, risking his own life.

Quezada refrained from making any direct comments with regard to Vice President Guillermo Ford's recent statement in which he described policemen as "fags and sissies," which has been widely criticized in the country. Quezada stressed that citizens should respect policemen.

"There should be mutual respect. Policemen must respect the citizens, but at the same time the citizens must realize that the police have been given legal authority by law. It is that simple, he said, adding that "there have been situations in which the police have not been respected. I believe that this is because in the past the Defense Forces did not respect the Panamanian people and in one way or the other we are linked to that past. That is a reality we cannot hide. We must change and show that we have changed and people should give us their support," he stressed.

Quezada added that he offers a friendly hand to the Panamanian people and that he is where he should be—under the civilian government.

Concerning his participation in the 16 March 1988 aborted coup against the narco-dictator, Quezada said that that movement emerged from the conviction of some officers who realized that they were responsible for the country's situation and that it was their duty to find solutions. He added that due to the system used by the plotters, when Noriega learned about the conspiracy, he was only able to apprehend 20 percent of the rebel

officers and troops. He also said that the coup, which had been planned for another date and not for 16 March, had to be advanced.

"Our intention was always to turn over the government to the civilians," Quezada said, admitting that there was some coordination with leaders of the opposition parties, including the Christian Democratic Party [PDC] and the Civic Crusade. However, he noted that such coordination was very limited.

Concerning a recent statement by retired General Ruben Dario Paredes in the sense that Quezada is an instrument of the PDC, which placed him in that position to guarantee police support for his party, Quezada said that he respects Paredes' opinion, but that it is mistaken. He added that he has the confidence of the president of the republic, because Endara also participated in the plot. "I am thankful to the new political leaders because they are respecting the agreement of not getting the police involved in political matters." When asked about his predecessor's proposal that members of the Public Force should not be allowed to vote while on active service, Quezada preferred not to answer the question, saying that he still has no definite position in that regard.

Quezada said that the creation of a special "arrest" unit comprised of members of both the police and the PTJ [Technical Judicial Police] has been coordinated with the PTJ director. This unit will be in charge of locating and arresting dangerous criminals. He added that more personnel who had been previously assigned administrative functions have been sent to the streets, fixed positions have been eliminated, and the patrolling of the various neighborhoods has been instituted. As for joint patrols with U.S. troops, Quezada said that it is up to the government to decide whether this practice will continue. He did note, however, that joint patrols have been significantly reduced, as well as the U.S. handling of police activities, which is now exclusively handled by Panamanians.

Quezada concluded saying that anyone within the police force who still longs for Noriega is as crazy as Noriega himself. He added that the institution is comprised of good-natured people who were misguided in the past by the narco-dictator.

Security Director Backs Civilian for Police Chief

PA0309001390 Panama City EL SIGLO in Spanish 31 Aug 90 p 10

[Report by Aneldo Arosemena]

[Text] Ebrahim Asvat, institutional director of public security in the Government and Justice Ministry, said that the decision regarding the appointment of a civilian as director of the National Police is the responsibility of the president of the country. He agreed with the statements that have been made regarding this possibility.

When asked whether the executive branch was considering the possibility of appointing a civilian as chief of police, Asvat answered: "Yes, and that is a decision that is the responsibility of the president of the Republic. He has complete freedom to appoint, as well as to remove, any individual from that office."

The official also reported that, following orders from Government and Justice Minister Ricardo Arias Calderon, birdshot will no longer be used to disperse student demonstrations. He added that the measures implemented by policemen to disperse a demonstration that has turned violent must remain in line with the force used by the demonstrators against the police. "On cases involving students, birdshot will not be used," said Asvat.

The chief of institutional security said that policemen wearing adequate clothing may use protective shields and the strength of their bodies to quell disorders. It is also acceptable to use water to break up demonstrations, but not birdshot. According to Asvat, another procedure that may be used is tear gas, but that depends on the degree of violence of the protest to be dispersed.

Regarding those wounded by birdshot during the last student protests, the official said that they are considering reviews of police procedures. He admitted that the police force currently lacks police procedures. For that reason, a manual must be created to define the norms of conduct for policemen in solving the problems of public disorders.

The official also said that all Panamanians who are currently studying in different military schools abroad have been informed that they will only be accepted in the police force if they transform their military studies into police studies. Although he did not say how this can be done, Asvat said there is a list of the Panamanian students who are carrying out military studies in other countries and that the IFARHU [Human Resources Education and Training Institute] has been notified that no more scholarships for military studies will be accepted. In that regard, the different embassies in our country have also been informed of the decision not to allow any more military courses.

Asvat admitted that there are some disagreements over the constitutional norms on what the Government and Justice Ministry is doing regarding the new design of what will be public security. He said that the current constitution is not adjusted to the country's democratic reality. He added that the policeman's job, regardless of what the national constitution says, will be of a strictly police character, as the Panamanian people want it to be.

Asvat announced that policemen can no longer use hose-like whips and that now they are using the so-called nightstick, the use of which is restricted by regulations.

National Police Chief Dismissed Amid Controversy

PA0509011790 Panama City ACAN in Spanish 0039 GMT 5 Sep 90

[Text] Panama City, 5 [illegible] (ACAN-EFE)—National Police Director Lieuten[illegible]lonel Fernando Quezada was dismissed today b[illegible]rnment, just hours after he circulated a letter accu[illegible]g Roberto Eisenmann of "incest." Eisenmann is LA PRENSA newspaper's director and principal owner.

A simple presidential communique said that the officer was dismissed "because of an absolutely unacceptable public letter" and that civilian Ebrahim Asvat, a government and Justice Ministry official, will provisionally take charge.

Quezada had only served as police director for two weeks after he replaced Colonel Eduardo Herrera, who was also suddenly retired.

LA PRENSA published a report today accusing Quezada of having illegally received $25,000 from toppled General Manuel Antonio Noriega.

Quezada's letter, addressed to Eisenmann, says that LA PRENSA's report is "irresponsible and dishonest" and gave assurances that Noriega had "firsthand proof" that the newspaper director "had committed incest."

"This abominable crime won you (Eisenmann) the Jewish community and your family's rejection," the letter adds.

Just before learning about Quezada's dismissal, a National Police spokesman denied it was Quesada's letter. Other sources close to Quesada said that Quesada had sent it "as a private citizen."

Quezada Accused of Using Drugs

PA0509015090 Panama City LA PRENSA in Spanish 4 Sep 90 p 16A

[Report by Manuel Alvarez Cedeno]

[Text] Captain Ramon Diaz, former chief of the Special Anti-Terror Unit (UESAT), has said that current Police Chief Fernando Quezada received $25,000 from deposed General Manuel Antonio Noriega, whom he later tried to overthrow.

According to a copy of a secret document called "Joint Debriefing Center" [preceding three words in English] of the "470th Military Intelligence Brigade," to which this newspaper had access during an interrogation, Diaz accused Quezada of having purchased an apartment in Punta Paitilla neighborhood valued at $200,000.

The document states that the person answering questions can make mistakes or tell lies, but that in many cases the details are verified by individuals unconnected with the questioning.

The former UESAT chief said that Quezada and Major Benitez received $25,000 in cash a few days before they tried to overthrow Noriega on 16 March 1988, during an attempted coup headed by retired Colonel Leonidas Macias.

Diaz said that Hilario Trujillo [not further identified] believes Quezada takes drugs occasionally, because Quezada once invited Trujillo to a party, where he asked him whether he wanted some drugs.

According to the document, Diaz said: "At a given moment during the party, Quezada and three young girls entered a room and then came out, and he said: "I feel good now, and I am ready for the party."

LA PRENSA tried to inverview Quezada on Friday, 31 August, but he was not at the National Police headquarters. On Monday, 3 September, we visited the National Police headquarters again and showed the document to an Information Department member, who then showed it to an officer who works at Quezada's office.

We were told that we had to wait for them to call us because Lieutenant Colonel Quezada was not in at the time. We called Quezada's office three times, and at about 1530 we were told that up until then there was no word as to whether Quezada would grant us an interview to discuss Diaz's statements.

We talked to Quezada before we had access to the document. He denied owning a $200,000 apartment in Punta Paitilla and said that everything he owns has been bought with the money honestly earned by himself and his family. He added that he has never taken drugs, "because I do not act against my moral principles."

A week ago, Panamanian Attorney General Rogelio Cruz said that no one has presented to the Attorney General's Office any accusation against Quezada for alleged illegal enrichment.

More on Calderon's Accusations on Assembly Posts

PA0209223690 Panama City LA PRENSA in Spanish 2 Sep 90 p 1

[Report by Zoila Rodriguez Jovane]

[Text] The Christian Democratic Party [PDC] has made harsh accusations against the Legislative Assembly factions of Molirena [Nationalist Liberal Republican Movement], the Authentic Liberal Party, and the Arnulfist Party, because thanks to the PRD [Revolutionary Democratic Party] votes, the Assembly elected Alonso Fernandez, Arnulfo Escalona, and Lucas Zarak as president, first vice president, and second vice president of the Legislative Assembly, respectively.

According to the PDC, the retention of parliamentary immunity for three PRD legislators who have cases pending with Panamanian justice and the unfreezing of bank accounts under judicial investigation are some of

stability. We should serve the people and do something practical for them year after year. All the tasks set for this year should be completed one by one. At the same time there is a need now to consider what to do next year and how to maintain the present good trend. He added: The completion of the Beijing-Tianjin expressway and the improvement of Tianjin Airport will be of fundamental significance to the formation of a new sea, land, and air communications system centering on Xingang of Tianjin. Tianjin must study its own features and strong points, make efforts to strengthen its economic cooperation and exchange with the world, and do a better job in opening up to the world.

Li Ruihuan also inspected the ongoing project of the Tianjin television tower.

State Council To Discuss Draft Law on Handicapped

OW0209085090 Beijing XINHUA in English 0633 GMT 2 Sep 90

[Text] Beijing, September 2 (XINHUA)—A draft law protecting the rights of the handicapped, the first of its kind in China, was completed late last month and will soon be submitted to the State Council for discussion.

The protection law for the disabled consists [of] eight chapters and 50 provisions, involving rehabilitation, education, employment, recreational life, welfare, environment and legal responsibility of the handicapped.

The drafting of the law began in 1985 by the Ministry of Civil Affairs, China's Federation for the Disabled (CFD) and 14 other ministries and commissions under the State Council, which had consulted many disabled people, Chinese and foreign law experts before the work started.

Vice Chairman of the CFD Liu Xiaochen said that the draft law, featuring both the generalities of the disabled as ordinary citizens and their specific characteristics, is expected to provide protection for the country's handicapped in their employment, education, rehabilitation.

"The policies and regulations the Chinese Government has formulated in recent years have created favorable conditions for the drafting of the law," Liu added.

In the past ten years, China has made more than ten specific regulations and policies on the welfare of the disabled people, including the "Five-Year Work Plan for the Handicapped," "Suggestions on Developing Special Education," and "Regulations on Employment of the Disabled."

A sample survey conducted by the State Council in 1987 shows that China has 51.64 million handicapped people, representing 4.9 percent of its total population.

Song Ping Urges Exchange of Cadres

HK0409085090 Beijing LIAOWANG in Chinese No 33, 13 Aug 90 pp 6-7

["Song Ping on Exchange of Cadres"—edited from Comrade Song Ping's speech at a meeting in Henan Province on 13 July]

[Text] Exchanging leading cadres at a certain level, especially senior leading cadres, on a national scale is a very meaningful thing.

Our party has always attached importance to the exchange of cadres. Our revolutionaries of the older generation have worked in numerous posts. Some have done party, Army, economic, cultural, united front work and so on and have undergone tempering in many ways. For this reason, our revolutionaries of the older generation are all talented politicians with rich work experience and some are also military experts and strategists. Chairman Mao, Premier Zhou, Comrade Shaoqi, and Comrade Zhu De were precisely such examples.

In the course of his growth, a person, especially a leading cadre, should be tempered in many ways. When a cadre is tempered in many posts, it is also easy to discover his strong points and find a work post which can bring his speciality and talent to the fullest play. If a cadre works in a place or a post for a long time, the accumulation of his knowledge and experience will be limited. It is very good to have exchanges after a certain time. Exchange of cadres will help cadres undergo training on a wider scope, broaden their horizons, accumulate experience, and enhance their abilities. This is an effective way to make cadres grow more satisfactorily.

Exchange of cadres can be conducted between different places or posts. Some of our cadres are specialized or technical personnel. In assigning college graduates, of course we should try as far as possible to match their specialties with their work but it is very difficult to match them completely. This is because science is constantly developing and what we learned in the past should be updated constantly. Peripheral sciences often come into being through the combination of different branches of learning. Therefore, it is also useful for specialized personnel to have appropriate exchanges between different posts. Whether exchanges between different places or between different posts, they are all useful. If a cadre works for a long time at a post, it is good for him in so far as it enables him to get familiar with his own job. There are also shortcomings. If there is an exchange, it can broaden his horizon and play the role of mutually complementing knowledge.

What should we do to enable our cadres to develop in an all-around way and enhance their abilities and grow more quickly? Exchanging cadres and rotating posts are very important forms. Our leading cadres, say, provincial governors, should be well-rounded. They should be

familiar with economic work, but can they leave education alone? Can they leave public health alone? Moreover, they should manage everything, such as civil affairs and public security. Whenever there are problems in work, governors should supply ideas. If a cadre only has experience in a certain aspect, it will not be easy for him to adapt himself quickly as a governor and it will take a fairly long time. If he can first undergo some training in different posts and then be promoted as a provincial governor, it will be fairly easy for him to adapt himself.

There was a major replacement of cadres in 1982-83. In the course of replacing old cadres with new, many old comrades retired and many new ones were promoted. Some new comrades were promoted from schools, designing units, and research institutions. They were more revolutionary, younger in average age, better educated, and more professionally competent. The only problem was that their work experience was rather too simple, that they lacked experience in giving overall leadership, and that they often found the work too much when they were promoted all at once as vice governors, provincial department heads, or bureau chiefs. If we turn our minds to the early post-liberation period, it seemed relatively easy to choose a provincial party committee secretary or governor because, although the cadres at that time did not have a lot of experience in leading economic construction, they had some experience in other leadership work. They had experience in local work, military work, and were engaged more or less in construction in liberated areas and so they had a relatively strong capability to adapt themselves in new leadership posts. After liberation of the whole country, the situation stabilized. Many cadres have worked in a locality or work post for 10 to 20 years. The war years needed people but they also tempered and tested people. How could you work in a place for several decades? You were placed where you were needed. If you did not know how to do it, you should learn and enhance your ability through practice. In this way, cadres could grow rapidly. If they refused to accept training and test and did not strive for further progress, they would naturally be eliminated through selection and competition.

Exchanging leading cadres in a planned way represents an important measure for training and tempering cadres and improving their quality and an effective way to extensively find competent personnel. If, through tempering in several different posts, a cadre can give a good account of himself, it shows this cadre is indeed quite outstanding and that, if appointed to take up a greater responsibility, he is relatively sure to be equal to the task. Exchange of cadres will also help cadres to go ahead boldly in a new environment. If a cadre works in a place for a long time, one may be quite familiar with the situation, but it is unlikely that one will be so sensitive to new things and one tends to develop bureaucratism and subjectivism. Moreover, it is also hard to get away from some complicated ways of the world, but one will not be affected by these factors if one goes to a new place. One will be relatively more detached and it will be easier for oneself to have a free hand in work and to bring his wisdom and ability into fuller play.

Having received the party's education for many years, our senior cadres have displayed a strong party spirit and a strong sense of organization. A previous common saying goes, it is hard to leave the native land. Having worked and lived in a place for a long time and had a profound feeling for the local people and cadres and the local conditions, it is only natural that they should be reluctant to leave. But even so, many comrades comprehended and supported the central decision and cheerfully accepted the party's arrangements and took up new posts. When the exchanged comrade comes to a new place, they are unfamiliar with the local conditions and it is hoped that everyone will support their work and help them become familiar with the conditions and make correct policy decisions in the course of work. On their part, they should promote a democratic style, listen more to the views of the comrades, including the views of old comrades who have retired and comrades from the democratic parties and other quarters. They should pay attention to pooling the wisdom of the masses and fully promote democracy. I am sure that, after the exchange, they will be able to do their work well.

Leftists Led by Deng Liqun Preparing for Plenum

HK0509015590 Hong Kong SOUTH CHINA MORNING POST in English 5 Sep 90 p 9

[By Willy Wo-lap Lam]

[Text] Leftist ideologues have mounted an offensive to impose an orthodox Marxist line in the run-up to the seventh plenum of the central committee, due to be convened soon after the Asian Games.

Chinese sources in the capital say the leader of the onslaught is former head of the Propaganda Department, Mr. Deng Liqun, 75, who is running for a seat on the ruling Politburo.

Even though he is only an ordinary member of the advisory council, the Central Advisory Commission, Mr. Deng has boosted efforts to control the nation's media and ideological workers.

The sources said, in the past fortnight, Mr. Deng had organised a seminar on socialist ideology at the north China seaside resort of Beidaihe.

Those who attended the course included the senior editors of national media organisations and political and ideological specialists in key party and government units.

"Mr Deng himself did not attend the seminar but he had laid down the specific topics to be covered in the course," a source said.

"They included the need to persist with class struggle and the campaign against bourgeois liberalisation as well

Linares Says Time For Reparations From U.S.

PA0509010090 Panama City LA PRENSA in Spanish 4 Sep 90 p 1A

[Report by Manuel Alvarez Cedeno]

[Text] Foreign Minister Julio Linares said yesterday the United States used its army in Panama because of what Manuel Antonio Noriega and the FDP [Panama Defense Forces] represented, not to simply liberate us from a dictatorship. Responding to a question, Linares stated that that was the reason—and not the liberation of the people of Panama—which prompted the United States to carry out a military operation, because if our freedom had been its motivation it should have caried it out so much sooner.

Linares stated that this is the time to talk of equitable reparation for the economic damage inflicted on Panama. That is why President Guillermo Endara brought up the issue "in a clear voice and in a forthright fashion, and that is the policy we will pursue."

Referring to the remarks by U.S. Ambassador Deane Hinton that the Panamanian Government must value the freedom that was acquired, the foreign minister replied: "That is where the problem lies."

He noted: It would seem that for them the only thing that counts is that we were liberated, but there are other factors that we must take into consideration. "First," he explained, "economic sanctions were imposed on this country for two years. Second, the 20 December military operation inflicted damage on people and property, and it was followed by looting that the U.S. Army failed to stop, and this caused a great deal of damage to Panama."

U.S. Ambassador Deane Hinton stated recently that this is not the time to discuss whether or not his country would pay compensation to Panama. Hinton also asked what value Panama's democratic government attaches to the acquired freedom.

Linares stated Endara already explained why he felt Panama is entitled to an equitable reparation for the damages caused to the economy from 1987, when U.S. sanctions were imposed to force Noriega out, until the invasion. He said that freedom does have a price, but it happens that that is the only value the United States is taking into consideration.

"If we were to delve into this matter, we will arrive at the conclusion that the United States did not—and this is something I am certain of—conduct its military operation to liberate the Panamanian people, but rather for reasons that interested them," he stated.

When asked if the request for compensation would not dampen the cordial relations between both nations, he said he hoped the sound judgment of U.S. authorities would make them realize they have good friends in Panama, both in the government and in the people.

However, Linares stated, the people must be compensated for the harm caused to them. The important thing, he added, is that this country suffered harm even though it did not play a leading role, as President Endara so rightly stated in the Legislative Assembly.

Argentina

Cavallo Sees 'No Obstacles' to Integration

PY3108215890 Santiago Domestic Service in Spanish 1100 GMT 31 Aug 90

[Text] Argentine Foreign Minister Domingo Cavallo has said in Buenos Aires that there are no obstacles to the Argentine-Chilean economic integration project because the first condition of bilateral agreement is to guarantee reciprocal earnings for the businessmen of the two countries.

We met with 100 Chilean businessmen, who no longer doubt the economic possibilities of integration between Chile and Argentine, Cavallo told the Buenos Aires press.

The Argentine Foreign Minister thus responded to reports that Chilean businessmen's organizations are opposing the agreements that both countries signed on 29 August. He also ruled out the possibility that Argentina's economic instability may affect the agreements because the markets will normalize as progress is made in the reformation of the state and in the opening of trade with the rest of the world.

Business Alliance Supports Government Policies

PY0409221490 Buenos Aires BUENOS AIRES HERALD in English 4 Sep 90 p 11

[Text] (NA-DYN)—President Carlos Menem will hold a meeting today with leaders of the Convivencia group, which includes prominent business and labour leaders. The grouping will hand the President a plan to support his government policies.

Among others, the newly formed group includes powerful industrialists Jorge Born (Bunge & Born) and Oscar Vicente (Perez Companc), businessmen Guillermo Alchouron (Rural Society) and Richard Handley (Bankers Association) and trade unionists Armando Cavallieri (shop clerks), Jose Rodriguez (auto workers) and Luis Barrionuevo (ANSSAL [expansion unknown] health insurance).

Planning Secretary Moises Ikonicoff, another group member, yesterday said the alliance was aimed at supporting official policies and denied it was an alternative to the current economic team. "There is no difference with the government," he underlined, "because our purpose is to generate a social and economic network to support the President's work."

23 Companies Bid for YPF Joint Venture Leases

PY0109174490 Buenos Aires BUENOS AIRES HERALD in English 31 Aug 90 1

[Text] (NA-DYN)—Twenty-three companies and consortia yesterday presented bids to take over joint venture leases with state oil company YPF [Government Oil Deposits] on four of the country's 28 primary oilfields.

Public Works Minister Roberto Dromi, who presided over the announcement of offers alongside Energy Undersecretary Julio Cesar Araoz and the new YPF trustee Jose Estenssoro, estimated that the leases would bring investments in 1991 of more than one billion dollars.

Dromi added that "this doesn't mean that we're flogging off the country" but that oil reserves were being used "to pay off social debts visible everywhere.

"This is simply a call for investment, participation and initiative," he declared.

Bidding groups were both local and of French, Spanish, British, US, Italian, Dutch and Hungarian background. They include Total Austral (French), British Gas, Shell SA, Texaco (US), Occidental (US), and Bridas and Tecpetrol from Argentina.

The 23 groups made their offers for the fields of Vizcacheras in Mendoza, Puesto Hernandez in Neuquen, El Tordillo in Chubut and El Huemulkoluel Kaike in Santa Cruz.

Their bids will now go through a "pre-selection phase," and companies who pass this barrier will then have 150 days to make technical queries before making new cash offers. The leases will then be adjudicated to the group which makes the highest offer.

Central Bank Officials on Bank Losses, Future

PY0109175090 Buenos Aires BUENOS AIRES HERALD in English 31 Aug 90 p 3

[Excerpt] Central Bank (BCRA) President Javier Gonzalez Fraga yesterday launched his vision of the future of the BCRA, saying "we're seeking a new Central Bank that will be the cornerstone of stability."

"Over the past few years," he admitted, the BCRA "has been a principal contributor to inflation and the empoverishment of our country."

Gonzalez Fraga then claimed that the Central Bank was now in a position to "slash the monietary base's rate of expansion over the following months," although he added that this did not imply to "throttle" it.

This announcement was followed, however, by BCRA Director Roque Fernandez's revelation that the Central Bank has suffered losses of over 67.5 billion dollars over the past ten years.

He added that "paradoxically," the private sector had attributed for four fifths of this figure, with only 20 percent having gone to the national treasury. [passage omitted]

New Coins Being Introduced in Catamarca Province

PY0409191890 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1945 GMT 1 Sep 90

[Summary] The provincial government of Catamarca has minted a silver coin that will be known as Esquiu. It will be worth 100,000 australes, and it will go into circulation inside the province on Monday 3 September, and will be used to partially pay the salary of provincial civil servants, except teachers. Soon the Gold Esquiu worth 4.0-million australes will be in circulation.

These two coins will be backed with silver and gold reserves deposited in the Bank of Catamarca.

Bolivia

Reaction to U.S. Report on Military Corruption

PY3108222490

[Editorial report] La Paz newspapers EL DIARIO and PRESENCIA published from 21 to 23 August carry the following reactions by Bolivian Armed Forces and government officials to a U.S. Congress report charging the Bolivian and Peruvian Armed Forces with being corrupt and not making efforts to fight drug trafficking.

La Paz EL DIARIO on 21 August, page 3, carries a 200-word article quoting Nationalist Democratic Alliance Deputy Marcelo Quiroga, president of the Drug Trafficking Control Committee, as saying: "These kind of charges are very incomplete, and I even consider them criminal because no foreign organization can make a general accusation against an institution like the Armed Forces." He adds: "We will not accept irresponsible charges without the appropriate evidence." Quiroga says that the Bolivian Congress will ask the Foreign Ministry to obtain an explanation on this report from the U.S. Congress.

The same newspaper, in its 22 August issue, on page 1, carries a 500-word article with statements by General Jorge Moreira Rojas, Armed Forces commander, who says: "That report is outrageous for our Armed Forces, and we reject the charges of corruption against this vital Bolivian institution." He adds: "We regret that a committee that knows little or nothing about the Bolivian Armed Forces should make inexact comments about our institutional behavior." He says that the publication is not part of an official report, although it was published in the "THE WASHINGTON POST" newspaper. Gen. Moreira continues: "We are surprised at this report" because "the Armed Forces never participated in actions against drug trafficking."

On 23 August, the same newspaper, also on page 1, carries a 450-word item that includes the text of a Bolivian Senate resolution that states: "The Bolivian Senate resolves: To request the U.S. Congress to send as soon as possible to the Bolivian Congress the complete report made by the Committee for Government Operations of the U.S. House of Representatives, and the detailed bases and evidence of the serious charges raised against the Bolivian Armed Forces and other national security organizations, so that we may analyze the charges and, if appropriate, request the clarifications."

On 22 August, La Paz PRESENCIA in Spanish, on page 7, carries a 300-word article in which Air Force Commander General German Callejas says: "I have no 'official report' of the charges with which to order an investigation on military corruption." He adds: "The staff commanders have met to analyze the charges but, unfortunately, the necessary evidence could not be found." He said that he requested an audience with the U.S. ambassador in Bolivia to ask him for more information, however, the U.S. ambassador was not able to receive Gen. Callejas on account of a busy agenda, and thus not assisting the investigation. Gen. Callejas said: "The Bolivian Air Force complies with the DEA [Drug Enforcement Administration] suggestions and orders helicopter operations in El Chapare region."

On the same date and page, the same newspaper also carries a 400-word article in which Minister of the Presidency Gustavo Fernandez states that the report is "obsolete" and that "DEA officials have said in the United States that, contrary to the statements made in the document, there is evidence that the cocaine flow from Latin America to the U.S. market has been reduced considerably," and "the statement that no progress has been made in repressing drug trafficking in Bolivia are not in keeping with reality." He added: "The charges of corruption are unfairly general."

The same article quotes Foreign Minister Carlos Iturralde as saying: "Kundt Dourty, a DEA official, has said that the report 'is old' and that the situation has changed." Iturralde said that he asked the Bolivian ambassador in the United States to send a copy of the report by the mentioned U.S. committee. "Once we have it in our hands, we will analyze it. However, based on a preliminary report from the ambassador, we think that it is obsolete."

The PRESENCIA newspaper, on the same date and page carries a 300-word article that attributes the following statement to General Lucio Anez Rivera, retired, the commander of the Special Antinarcotics Force [Felcn]. He said: "The Armed Forces have not participated in the trafficking struggle since 1985. The police have not had direct control of the struggle against drug trafficking since 1988," therefore, "their members cannot be accused of being involved in alleged actions of corruption." Anez said: "Some Army, Air Force, and Navy officers have been assigned to the Felcn. These chiefs and officers, some of them retired, are under the direct responsibility of the Felcn, and not under their normal command." He added that the U.S. Government will be asked for a copy of the report which, "does not mean that our force is trying to avoid responsibilities in face of

alleged corrupt acts by officers who are members of this elite antidrug trafficking force."

On the same date, the same newspaper carries on page 1, section 2, a 350-word article datelined Cochabamba, 21 August, in which Army Commander General Rolando Espinoza Lara states: "As Army commander, I reject those charges" and "I read it with surprise in the newspapers. I think that this must be deeply analyzed by the Armed Forces, specially by the high command." Gen. Espinoza added: "So far the Army has not participated in any activity connected with drug trafficking."

Defense Ministry Responds

PY0109033490 La Paz La Red Panamericana in Spanish 0000 GMT 1 Sep 90

[Excerpts] During a news conference this afternoon Defense Minister Hector Ormachea said that the Army will participate in the antidrug struggle only if the Armed Forces General Command orders it to do so.

Ormachea officially rejected a recent report issued by the U.S. Senate concerning the alleged involvement of some Bolivian Army officers in corruption.

He said that this report is not up to date, considering it was prepared in August 1989. He added that it is not a reliable report because it does not contain accurate information. He mentioned as an example the case of herbicides that are not used to eradicate coca leaves. This is a measure that was even agreed upon by President Bush, Ormachea added.

Ormachea also referred to the annexes signed by the Bolivian and U.S. Presidents. [passage omitted]

He said that if the Army is forced to participate in the antidrug struggle it will not attack the coca producers because the government understands their situation and their problems. [passage omitted]

Training With U.S. To Continue

PY3108212290 La Paz PRESENCIA in Spanish 21 Aug 90 p 1

[Text] Riberalta, 20 Aug (PRESENCIA)—Defense Minister Hector Ormachea has said that the joint exercises between the Armed Forces of our country and the United States will continue, in keeping with the agreements signed.

Ormachea thus explained the presence of North Americans in this region in early July, pointing out that three years ago an agreement regarding a permanent training process was reached between our Navy and the U.S. Navy.

Ormachea added: "Training is being given on the use of sophisticated equipment like the Pirana boats, which were introduced in 1987, so that they can be correctly used in the struggle against drug trafficking."

The defense minister said that U.S. cooperation will continue in this type of operation. The cooperation will include the supply of boats and other equipment that cannot be found in Bolivia, in order to properly prepare personnel of the Navy.

Concerning the Air Force, Ormachea added that the U.S. support is being increased with the supply of spare parts for helicopters and C-130 airplanes.

Regarding the Army, he said there will be U.S. cooperation to mount two light battalions that will serve as support in the struggle against drug trafficking if the police become overwhelmed.

"We hope that the police will not be overwhelmed because the Umopar [Mobile Units for Rural Areas] is also being better trained and better equipped," the minister said.

Drug Kingpin Arrested, U.S. Report Criticized

PY0409135890 La Paz Television Boliviana Network in Spanish 0030 GMT 4 Sep 90

[Text] The Special Antinarcotics Force arrested (Mario Arauz Morales), the king [as heard] of Isinuta, early on the morning of 2 September.

Members of the special force arrested this drug trafficking chief in Montero, Santa Cruz Department. General Lucio Anez Rivera, commander of the special force, said that measures are being taken to transfer the drug trafficker to the appropriate officials.

We also have information that the negative U.S. report on alternative development has been labeled obsolete and false by the secretariat in charge of that project.

The Alternative Development Under Secretariat has said that the U.S. report, which said that for every hectare of coca destroyed five new hectares of coca appear, is obsolete and false. Officials of the under secretariat have indicated that the U.S. Congress report on coca growing describes past situations that cannot be compared with the current situation.

The officials indicated that the current administration has eliminated 43,000 square meters of coca nurseries in the tropical regions, where the largest coca plantations are located. The government antidrug organizations have also eliminated 205 hectare of coca discovered in prohibited zones.

Corruption Reported in National Police Ranks

PY3109232090 La Paz EL DIARIO in Spanish 23 Aug 90 p 5

[Excerpts] The Constitution, Justice, and Judicial Police Commission of the Chamber of Deputies has proof that the National Police are involved in corruption. This situation is being analyzed by the Police General Command.

Marco Antonio Oviedo, president of the commission, has said that in the past few days members of this congressional commission met with police commanders to carry out a task aimed at eradicating corruption.

Oviedo said that corruption has been discovered, but that it is necessary to "pinpoint" it. He mentioned that irregularities detected at the Criminal Affairs Office must be eradicated.

He said that the corruption prevailing at the National Police reflects a bad image on the institution which, in turn, affects a whole social sector.

He added that in view of this serious situation the commission has decided to include a police officer in a Special Commission that will be charged with eliminating corruption. [passage omitted]

Oviedo also charged the Judicial Branch with corruption in the administration of justice. He said that the commission will take further effective action to clarify this situation. [passage omitted]

Minister Wants Foreign Investment for Projects

PY0109011090 La Paz La Red Panamericana in Spanish 1130 GMT 31 Aug 90

[Text] Foreign Minister Carlos Iturralde has stated that Bolivia must work to obtain foreign investment for a series of national projects.

According to the foreign minister, only by obtaining economic resources can we improve the various levels of our country.

[Begin Iturralde recording] We do not have the internal savings capability to be able to make the required investments. The government has to use the funds that it needs [words indistinct] our small internal savings are not enough to achieve the desired growth levels and so we have to resort to [words indistinct] [end recording]

FRG Willing To Raise Investment

PY0109005690 La Paz Red Panamericana in Spanish 1130 GMT 31 Aug 90

[Text] FRG Ambassador to Bolivia Hermann Saumweber has stated that Bolivia receives more [FRG] economic aid than other countries.

Our foreign minister and the FRG ambassador have signed a financial cooperation agreement that establishes the number of programs that will receive aid.

According to the FRG embassy, Bolivia currently receives most of the FRG's economic cooperation. So far funds amounting to $844 million in economic aid have been approved. For the 1989 and 1990 fiscal years the FRG has allotted $136 million.

This financial cooperation began in 1989, under very soft conditions in acknowledgement of the efforts of the people.

The way the funds are distributed to the various projects demonstrates the current needs of our country. Starting with the support for the productive sectors, there are other programs that merit the FRG's support.

The ambassador has stated that his country is willing to grant larger sums for our country, but he stipulated that mixed programs be carried out that will permit the investment of foreign capital.

Institute Reports August Inflation Statistics

PY0509033890 La Paz Television Boliviana Network in Spanish 0030 GMT 5 Sep 90

[Text] The National Statistics Institute reported today that the inflation rate and the consumer price index did not vary much. The most visible increase can be seen in food prices such as meat and vegetables.

The August inflation rate was 1.1 percent. If we compare this figure with previous months, we see prices stabilizing. If we look at the June inflation rate of 2.01 percent, the July inflation rate of 1.79 percent, and the August inflation rate of 1.1 percent we can see a trend toward stable prices.

The accumulated inflation rate in the first eight months of this year is 7.27 percent. Making comparisons of the first eight months, we find that in 1988, we had an inflation rate of 18.13 percent and in 1989, an inflation rate of 6.15 percent.

Brazil

Collor on Current Problems, Relations With FRG

AU0309192590 Hamburg DIE WELT in German 3 Sep 90 p 7

[Interview with President Fernando Collor de Mello by Werner Thomas; place and date not given: "Brazil Is Far Too Important—Who Will Ignore It?"]

[Text] [Thomas] Mr. President, you have five and one-half turbulent months behind you. Do you still believe in the success of your mission?

[Collor] I still feel well and consider governing this great country an honor.

[Thomas] What have you achieved?

[Collor] We have initiated profound changes in all fields. First of all, I must recall once again my difficult inheritance. We took over during a period of economic chaos: an inflation rate of almost 90 percent per month, a budget deficit of approximately nine percent of the gross

domestic product, and an inefficient and corrupt administrative apparatus. In short, a state that tormented the economy by excessive regulations.

Today the situation is different. The inflation rate decreases every day. Our economic reform program bears fruit. Never before has such a radical plan been implemented in a Western country. In former days, prices were frozen in our country for a certain period, then the inflation rate increased again. Now inflation is fought with a free price policy. In addition, there is a new industrial policy, a new foreign trade policy, and a new agricultural policy. Today the inflation rate amounts to little more than nine percent per month. The budget deficit has been eliminated. We even have a 1.2-percent surplus (of the gross domestic product). Privatization has been initiated. That is to say, there is an avalanche of reforms. We have already achieved much. But we want to achieve far more. We hope that at the end of my five-year presidency the population's confidence in the government will be reestablished and that we will enjoy credibility abroad. We want to prove that we keep our commitments. Let me put it like this: We want to become a member of the new world that has been created now, a world inspired by democracy and market economy.

[Thomas] Did you think that your work would be so difficult?

[Collor] My father once told his children: "I feel sorry for you. I always had to struggle with problems. But things are far easier for you." Problems strengthen the people. Therefore, my father brought us up very strictly. I learned very early to face challenges. Every challenge strengthens me. Regarding your question: Yes, I thought that my work would be so difficult. But I was never afraid. I am sure that I will overcome all difficulties. Look, I have one object, one ideal: a new Brazil.

[Thomas] What should the new Brazil be like?

[Collor] A country in which the people have confidence in the future. Our course is right. I did not choose this course alone. I got the majority of the votes in two ballots. The voters decided in favor of this course. A real referendum.

[Thomas] What are the greatest problems that you will have to face?

[Collor] We have to deal above all with the social problems. However, we need financial means to solve or mitigate them. The social situation is very disquieting—high rates of illiteracy and infant mortality, poor health care, increasing poverty in the countryside and the cities, and increasing crime. The economic reforms already have released the means to tackle the worst problems and to initiate immediate programs. But we need a lot more money.

[Thomas] What are your government's initiatives in the social sector?

[Collor] For example, we are establishing a children's ministry.

[Thomas] Allegedly, there are 20 million orphans who live in the street.

[Collor] This institution is to deal with them. But let me specify this: Actually, it is not a ministry. Rather, all ministries are to cooperate for the benefit of children and young people. All have to devote their attention to the young Brazilians. As from 1991, we want to make large-scale investments. The budget surpluses should especially support social projects. The focus of the second stage of the our reform program should be the social question.

[Thomas] What problems can be solved more easily: the economic or the social ones?

[Collor] They cannot be separated. However, the social problems cannot be solved by certain formulas. If this were the case, our work would be easier. Mere theories do not help us.

[Thomas] Can a market economy policy solve the social problems?

[Collor] Undoubtedly. Progress can be made in this sector only with a model of market economy. After all, a liberal economic policy does not mean that the social problems are neglected. We are not only concerned by the social situation—it also puts an obligation on us. We feel this obligation.

[Thomas] Once again the concrete question: Can the economic problems be more easily solved than the social ones?

[Collor] They cannot be separated. They are connected. Without economic progress, there can be no social progress. The people in Europe have also learned this.

[Thomas] Do you count on solving these social problems by means of the market economy?

[Collor] Undoubtedly. Only with the market economy. The market economy is not antisocial. We have a government that pursues a liberal economic policy, but also acknowledges the social problems. It considers the solution of the social problems as a commitment. It respects the right to a decent life.

[Thomas] There is the concept of the two Brazils. The poor northeast, the Third, maybe the Fourth World. The rich south that reminds us of Europe. Sao Paulo—an enormous industrial metropolis. Can you reconcile these two Brazils during your term? Can you bridge the gap?

[Collor] We have just developed a program for the development of the northeast. This program extends to the year 2000. We need at least 10 years to integrate the northeastern region into the better developed part of Brazil. We cannot correct the mistakes of former governments during one presidential term. We want to lay the

foundation for the development by future governments. However, we should not divide Brazil into the poorer north and the richer south. There are also two Brazils in the south. Even in Sao Paulo.

[Thomas] There are also two Rios.

[Collor] Right. The poor Sao Paulo reminds us of the mistakes of the former governments and economic models. Speculation, not production, was promoted. Only certain parts of the population benefited. This resulted in a incorrect income distribution. Millions of Brazilians became impoverished. The social problems are worse than imagined.

[Thomas] As many as 17 million people live in Sao Paulo and its surroundings—the world's second largest metropolis after Mexico City. Is birth control not needed in Brazil?

[Collor] I do not believe that Brazil's poverty is connected with the birth rate. Brazil is a big country—a potentially rich country. We have enough space. I hold the former governments responsible for the problems. Their policy never focused on the people. Power always meant the strengthening of the state. The state was strengthened, and the citizens and society were weakened. Our government wants to act differently. Our government exercises the power to strengthen the citizens and society.

[Thomas] Let us come to the environment. When Germans think of Brazil, they particularly think of the Amazon river. Brazil has the largest tropical rain forest in the world. Brazil gets much advice and many instructions from abroad. Does this bother you? Do you consider this interference in Brazil's internal affairs?

[Collor] The environmental problems cannot be restricted to one country. They are an international issue. The survival of the planet Earth is at stake. When in the past comments by other countries were criticized as interference, this was connected with a certain colonial paranoia, a distrust of foreigners. But the era of colonialism came to an end 200 years ago.

Our government has a different standpoint. We are pleased about suggestions and recommendations. We are grateful for them. But we also claim the right to comment on environmental disasters in the United States or in Europe. Just recently, my representative for environmental affairs, Professor Lutzenberger, sent a letter to his Canadian counterpart and expressed his concern about the pollution of a bay. The letter was formulated in a respectful way and was written in the spirit of cooperation. We should not accuse each other or instruct each other. Let us avoid polemics and empty rhetoric! Let us sit down at a table and ask: How can we best help ourselves?

[Thomas] Who should sit down at a table? The presidents of the world?

[Collor] All heads of state and government, who are interested in preserving our planet.

[Thomas] An environmental summit?

[Collor] Why not? In 1992 we will hold an international environmental conference for the United Nations. I have already invited heads of government and state; many of them have accepted the invitation. These questions should be discussed and detailed at the highest level. I am commited to the environment not only because I am president of Brazil. I also see this as a commitment to my, our generation. We have taken over a world which is being destroyed. I have the obligation to give an example. At the end of my term of office I have to account for whether I have made a contribution to preserving the ecosystem. The Brazilians have a great responsibility. We have 400 million hectares of rain forest.

[Thomas] How much has already been destroyed? There are various figures available on this.

[Collor] Of 400 million hectares, 40 million have already been destroyed. Each year, for many years, 4 million hectares wee destroyed. This had to be stopped. We have intervened. We have also used few orthodox methods.

[Thomas] You had landing strips for planes blown up. Lutzenberge wants to introduce strict control over motorized saws.

[Collor] Thee are two examples. I have a third example: Two or three weeks ago, when I visited the south of the Amazon state of Para, we decided on an reforestation program for destroyed forest areas over an area of 250 square km. Public and private capital support this project.

[Thomas] Does your government want to stop the development of the Amazon valley?

[Collor] No. However, we want to control the development projects. So far the problem has been that the other governments cared too little about what happened in this region. We laked an environmental conscience, as it has now, for insance, developed in Germany. This has changed.

[Thomas] Can the slash-and-burn practices and the cutting down of trees really be stopped, Mr. President? The environmental authority operates with only five helicopters in an area in which one could even hide the reunited Germany.

[Collor] Of corse, these helicopters are not enough. You are right abut that. However, the environmental authority will be given the opportunity to fulfill its tasks better in the future. The goal of stopping uncontrolled development cannot be achieved between today and tomorrow. This is a long-term process.

[Thomas] Do many Brazilians perhaps want to go to the Amazon River because they lack land in other places? Is the Amazon River not the only region which offers prospects of a better, more dignified life to poor farmhands?

[Collor] Wrong. There is no lack of land. Brazil is large enough. In the northeast and south of our country there are many undeveloped areas. On this occasion, I would like to point out another widespread error: The Amazon forests are not the lungs of the world. Oxygen production is not so important. What is important is the influence on the climate. If the Amazon River did not exist, Germany and northern Europe would have a completely different climate. A climate like that of Greenland. The Germans owe their mild climate to the heat waves of the Amazon River. Therefore we understand that in Europe concern about the Amazon River is greater than in other parts of the world. By the way, do you know why the Germans have so many forests?

[Thomas] Do tell us.

[Collor] Because the aristocracy needed hunting preserves. As you know, the large forest regions belong to the aristocracy. Germany owes its wealth in forests to the leisure activities of the aristocratic gentlemen. Is this not funny?

[Thomas] Do you know Germany?

[Collor] I know Germany, I appreciate Germany. I have German ancestors with the name of Boeckel. They came from Alsace.

[Thomas] Do you speak German?

[Collor] No, I do not, but my two sons do. They go to the Swiss school in Rio de Janeiro.

[Thomas] Are you satisfied with German aid? Juergen Warnke, FRG minister of economic cooperation, promised 250 million marks for the preservation of the rain forests until 1993. Are you satisfied with environmental representative Jose Lutzenberger? He is the son of German immigrants.

[Collor] Very satisfied. Both with German aid and with Professor Lutzenberger. In this connection, I would like to briefly mention your chancellor, Helmut Kohl. I admire him. He plays a historic role, but not only because of reunification. He also inspires the rest of the world. He is a politician of international rank. I know he likes Brazil and I would like to welcome him here. Our bilateral relations could not be better. Just think: Sao Paulo is the second largest German industrial city.

[Thomas] We have to correct you. It is the largest German industrial city. There are more German companies in Sao Paulo than in Munich, Berlin, or Hamburg.

[Collor] I have just learned something.

[Thomas] Do you plan a trip to Germany?

[Collor] Perhaps next year.

[Thomas] Do you not fear that Brazil might be forgotten somewhat because Europe is now concentrating more on Europe?

[Collor] I know that many people fear that investments will decline. The West Germans, they warn, will invest their money in the GDR or in East Europe. I console these skeptics and say: Brazil is far too important to be ignored. The German investors have made a great contribution to the development of our country. We will never forget this. They have helped both sides.

[Thomas] What abut nuclear cooperation? Does the German-Brazilian nuclear contract continue? Is hydrological power not sufficient?

[Collor] First of all, I would like to say that the development of nuclear energy for military technology is simply absurd, an anachronism. It no longer fits into the changing world. I think that the German government shares the view, that in light of the Middle East conflict, nuclear cooperation with others needs to be reconsidered. Many things have to be reconsidered.

[Thomas] We want to talk about the peaceful use of nuclear energy. It is known that Brazil does not want nuclear arms. Can Brazil make do without nuclear electricity?

[Collor] Certainly. Brazil has enormous raw materials. We can use the sun, an enormous source of energy. In our country the sun shines through the entire year. We have enough rivers. We have to look for energy sources that are less dangerous and destructive than nuclear energy. Think of Chernobyl. A warning signal. Nuclear power plants always harbor dangers, no matter what protective measures we take. I do not want to criticize the countries that count on nuclear electricity, but I, personally, have reservations.

[Thomas] This is the hour of the market economists—also in Latin America. The times of the populists are over. Many presidents follow a course that is similar to yours, including your Argentine counterpart Carlos Menem. Does this give you hope?

[Collor] Yes. The continent is suddenly pulling in the same direction, and the countries are coming closer to each other. Cooperation is increasing, and plans for integration are maturing. We no longer run in different directions. We have recognized the roots of the misery.

[Thomas] Argentina and Brazil are planning a common market. You have friendly relations with Menem. He recently told us: "Somos del mismo color" (We are of the same color).

[Collor] I agree.

[Thomas] Mr. President, you want to lead your country from the Third to the First World. Will Brazil soon play a leading role in Latin America?

[Collor] Brazil does not want to play a leading role, neither in Latin America nor anywhere else. However, we have the ambition to struggle for peace and understanding, to settle conflicts, and to act as mediators. We want a world without wars. There are enough problems that have to be solved. This has been proved by our talk.

[Thomas] Brazil was one of the large arms deliverers to Iraq. What effect does the Gulf crisis have on your country?

[Collor] The conflict is a heavy blow to many nations and will make a mess of many plans. Since the end of the 1970's we have had close economic relations with Iraq. We also exported armaments. However, even before the beginning of the conflict we thought about ending the arms deliveries. Now we are strictly observing resolution 661, which orders a blockade. All trade with Iraq has been suspended.

Minister Says Emergency Aid to Iraq Contemplated

OW0409182690 Tokyo KYODO in English 1046 GMT 4 Sep 90

[Text] Tokyo, Sept. 4 KYODO—Brazilian Foreign Minister Francisco Rezek said here Tuesday that Brazil is contemplating providing emergency food aid to Iraq for humanitarian reasons.

Rezek told reporters at the Japan National Press Club that Iraq has not asked Brazil for such aid, which if given would violate trade sanctions imposed on Bagdhad for its August 2 invasion of Kuwait.

But he said Brazil might be willing to provide emergency food assistance to Iraq and is prepared to respond if the situation arises.

"If necessity arose for humanitarian food supply while foreign nationals were still in Iraq, including some 250 Brazilian nationals, we will take steps," Rezek said in Portuguese.

"If an absolute, humanitarian food shortage occurs, we will provide grant aid in food, strictly in accordance with the U.N. resolution," he said.

Such humanitarian assistance should not be viewed as trade with Iraq, Rezek added.

Turning to allegations that some 20 Brazilian aviation experts are still serving as military advisers in Iraq, Rezek said the Brazilians were mostly civilian technicians engaged in research and development.

Rezek said, however, the Brazilian Government has advised the technicians to finish their work and get out of Iraq.

The technicians are all working for a firm run by a former high- ranking officer of the Brazilian Air Force, he added.

Rezek also vowed that Brazil will not export weapons to Iraq if and when the U.N. sanctions are lifted.

"We never thought Brazilian-made weapons would be used in Iraq's aggressive policy during this crisis, so we will refuse any requests from Iraq in the future," Rezek said.

Brazil was a major supplier of conventional arms to Iraq between 1964 to 1985.

Rezek is the first Brazilian cabinet minister to visit Japan since President Fernando Collor de Mello was inaugurated last march in the nation's first presidential elections in 29 years.

Since his arrival on Sunday, Rezek has met with Emperor Akihito, Prime Minister Toshiki Kaifu, Foreign Minister Taro Nakayama, and former Prime Minister Noboru Takeshita and former Finance Minister Michio Watanabe.

Petrobras Announces Record Oil Production

PY0509021690 Brasilia Domestic Service in Portuguese 2200 GMT 4 Sep 90

[Summary] Petrobras [Brazilian Petroleum Corporation] today announced an oil production record of 682,311 barrels of oil per day. This information was passed directly on to President Fernando Collor by Petrobras President Luiz Octavio da Motta Veiga.

IBGE Reports Industrial Sector Growth in July

PY0509023490 Brasilia Domestic Service in Portuguese 2200 GMT 4 Sep 90

[Summary] The Brazilian Institute of Geography and Statistics [IBGE] today reported that the Brazilian industrial sector grew by six percent in July. The institute noted that all industrial sectors, except for the field of mineral extraction, underwent an expansion in July.

Treasury Registers 14 Billion Cruzeiro Surplus

PY0509023890 Brasilia Domestic Service in Portuguese 2200 GMT 4 Sep 90

[Summary] The National Treasury registered a surplus of 14 billion cruzeiros in August. This is the fifth consecutive month in which the National Treasury has registered a surplus. Finance Secretary Geraldo Cardenalli has said that the surplus was made possible by the increase in collected taxes and the reduction in government spending.

Secret Mass Grave Discovered Near Sao Paulo

PY0509032490 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 4 Sep 90

[Text] In a cemetery near the capital, officials of the Sao Paulo Capital Mayoralty have discovered the remains of nearly 1,700 people who were buried clandestinely some 20 years ago.

The mass grave was found by Queluz Cemetery Administrator Antonio Pires Eustaquio. He has been keeping the secret since 1977 in fear of some type of retaliation.

[Begin recording] [Reporter] What people are buried there?

[Eustaquio] According to reports I have heard from relatives of the missing people, there are probably many victims of political murders. [end recording]

Eustaquio began his private investigation after 1,700 bodies that had been buried normally at the beginning of the 1970's mysteriously disappeared from the cemetery. The mystery began to be exposed at about 1000 this morning, when the mayoralty ordered the opening of the grave. After digging for a few minutes, mayoralty employees found evidence of what they suspected. They found the first bag of bones, but could not find any type of identification in the bags. Before the end of the day, 87 bags with bones had been found. Only a small portion of the grave—which is almost three meters deep and 35 meters long—was dug today. The remains will continue to be exhumed throughout the next few days. The bones will then be at the disposal of experts, or anyone else who may be interested in identifying them.

Chile

Government To Review Stance on Unitas Maneuvers

PY0409142090 Santiago Radio Chilena Network in Spanish 1700 GMT 3 Sep 90

[Text] The Chilean Disarmament and Denuclearization Committee has reported that it has asked the government to review its position regarding the Unitas maneuvers.

Manuel Horacio Diaz, executive secretary of the committee, has reported that talks were held with the government on this matter, because the U.S. Navy provides no guarantees regarding the irreparable damage that possible accidents could cause.

[Begin Diaz recording] The government currently only contemplates measures that will reinstate us in the international arena, which is very favorable regarding guidelines for disarmament and also regarding the Tlatelolco and the Nuclear Non Proliferation Treaties that expire in 1995. We believe that the Unitas maneuvers to some extent also (?violate) these treaties. [end recording]

When asked about the embargo on weapons imposed on Chile under the Kennedy Amendment, he said that this situation must be solved very soon, as must the traffic of weapons to Iraq by Cardoen Industries. He said that this is an important element in the lifting of the Kennedy Amendment. He added that the current government must admit the danger that the Unitas Maneuvers represent for Chile. The Chilean committee for disarmament concluded by saying that, although the United States does not admit it publicly, the vessels participating in these maneuvers usually carry nuclear weapons.

Foreign Minister Silva Cimma Discusses Policy

PY0409233090 Santiago HOY in Spanish 27 Aug-2 Sep 90 pp 24, 25, 27

[Interview with Foreign Minister Enrique Silva Cimma by Ana Eugenia Rodriguez; place and date not given]

[Text] [Rodriguez] Why do you think the press has questioned your performance?

[Silva] That is a consequence of freedom and democracy. In the past there was no criticism. Today, fortunately, there is criticism, although it goes beyond what is conceivable and reasonable. This is good. HOY has published a report saying that the foreign minister has the highest rating, contrary to what other minor magazines, in which I am not interested, have said.

[Rodriguez] Concerning the possibility of sending troops to the Persian Gulf, General Augusto Pinochet has said: "Our duty is to defend Chile and no one else," and that it would be "very expensive." Will Gen. Pinochet's opinion be ignored if troops are sent?

[Silva] Any decision on the matter should be made by the president and not by any other official.

[Rodriguez] The government is interested in preserving its relations with South Africa, despite the fact that the Coalition of Parties for Democracy government program stated that those relations would be revised in compliance with a UN resolution.

[Silva] We have made a very clear decision that complies with the Coalition program: We have lowered the profile of our diplomatic relations with South Africa. We did not designate an ambassador to South Africa, where we maintain only a charge d'affaires.

[Rodriguez] Yet, the first trip by the Esmeralda training ship under the democratic government will include a stopover in Cape Town. Does that mean the profile of relations has been lowered?

[Silva] The trip was planned by the Navy, in keeping with its powers. In order to show that we are openly against apartheid, we explicitly ordered that while the ship is anchored at Cape Town, Nelson Mandela and Archbishop Desmond Tutu should be invited to visit it.

[Rodriguez] President Aylwin could have ordered that the Navy not send the Esmeralda to Cape Town at a time when he will be at the UN General Assembly.

[Silva] He could have made several foolish decisions, but international relations and relations between the government and the Armed Forces follow specific regulations. These regulations are not based on radical or, much less, whimsical criteria. Politics is the art of governing within existing possibilities, and things are done gradually, complying with regulations and seeking to promote harmony.

[Rodriguez] In addition, there are contracts between the Navy shipyards and a South African enterprise.

[Silva] All of those transactions are regulated by contracts that were signed with the previous government, and must be complied with in order to avoid high compensation payments. The government has found several situations that were begun in the past and which we cannot suddenly finish by saying "this is over." Things should be done gradually because the country's economic interests are also at stake. The last of those contracts will expire in January 1991. After that date there will be no new weapons contracts with South Africa.

[Rodriguez] Yet this year, under the Aylwin administration, a cannon that was built jointly by Cardoen and South Africa was shown at FIDAE [expansion unknown].

[Silva] On that occasion the United Nations was notified that the cannon was shown because the Air Force commander in chief, as he explained, was not told about the decision.

[Rodriguez] This situation will cause problems because South Africa is a key arms supplier for Chile.

[Silva] We hope the Kennedy amendment will be lifted by that time.

[Rodriguez] But the United States has conditioned suspension of the Kennedy amendment to the trial of those responsible for the Letelier case. So far, the Supreme Court of Justice has refused to reopen the case. What concrete steps is the government taking on this subject?

[Silva] Things are proceeding normally; the Bryan committee's draft bill is being submitted to Congress. Second, we have the Foreign Ministry investigation into forged passports, which we sent to court. Third, we prepared a draft bill, which is pending in Congress, that modifies the jurisdiction of the military courts so the Letelier case may move to a civilian court. These are clear signs that the government wants to meet its promise of helping clarify the Letelier case.

[Rodriguez] Ambassador Gillespie has said: "Hopefully, the Letelier case can be solved before President Bush arrives in November or December." Do you think this is possible?

[Silva] I think that what will be resolved before President Bush's arrival will be the normalization of trade relations with the United States. I think that is what Ambassador Gillespie meant, that is, suspension of the Kennedy amendment and the inclusion of Chile in the preferential treatment system, since a trial of the people involved in the Letelier case depends on something much more complex, which cannot be solved in a few months.

[Rodriguez] If President Bush has not suspended the Kennedy amendment thus far, what could make him change his mind?

[Silva] He has not done so because he is observing how things are evolving here. Things cannot be resolved by pressing a button, they must be thought over and analyzed. I am optimistic because all the signals I have and the talks I have held on the subject lead me to be optimistic.

[Rodriguez] Do you think that when Bush comes to Chile at the beginning of November or December he will suspend the Kennedy amendment?

[Silva] President Bush has to send a document to the Senate; I have the impression that he will send it before the time it is scheduled to be sent.

[Rodriguez] The Chilean Foreign Ministry has been harshly criticized for making many concessions to the United States in exchange for nothing. It is said that the Foreign Ministry has negotiated badly.

[Silva] We are criticized for doing things and also for not doing them. There are people who say: How is it that the amendment has not been suspended? This should have been done instead of that. However, the government's policy is aimed at normalizing relations with the United States in the field of trade because it is important for Chile. That is why we have adopted a reasonable line of conduct, which is being criticized for being too obliging to the United States. What do they want? Is Chile interested in normalizing trade relations with the United States or not? Of course, Chile is interested in this because the United States is our main trade partner. And we are not being obliging to the United States when we seek forms to solve trade problems. We are waiting for the results of this policy to know if the Foreign Ministry has acted well in this respect or not. I prefer to continue being criticized for acting mistakenly until we demonstrate that we have acted well.

[Rodriguez] So far, Chile has taken concrete steps to normalize relations with the United States, while the United States has not. On the contrary, it has placed obstacles to Chilean exports.

[Silva] Who says that the United States has not taken positive steps?

[Rodriguez] What step has it taken?

[Silva] Please, some things cannot be revealed until they have been concluded.

[Rodriguez] The government has not initiated any action to demand compensation payments from the United States for losses due to the poisoned grapes case.

[Silva] The government has placed the issue in the hands of the State Defense Council because it believes this office should undertake some actions. The council will determine whether a lawsuit can be filed and, if so, where and before whom it should be filed.

[Rodriguez] Why hasn't Chile joined the Andean Pact, considering that the Coalition's government program stated Chile would try to join it?

[Silva] Chile has not joined the Andean Pact because our policy in the commercial field has made it inappropriate for us. This, however, does not prevent Chile from establishing relations with the Andean Development Corporation. We are working on an extraordinarily interesting commercial agreement with Venezuela. We are trying to create links between Chile and the Andean Pact, but we always take into account Chile's commercial interests. We cannot join a pact whose tariff system is very different from ours. We are undertaking integration projects with Brazil, Argentina, and Uruguay, which will have considerable significance and prospects for trade with Latin America.

[Rodriguez] Some academic circles have criticized the fact that some of the economic criteria that the Pinochet administration enforced in its international relations are still in force, and that integration with Latin America has not been promoted because it is disadvantageous from an economic viewpoint.

[Silva] By no means. Our concept of integration is part of our devotion to politics. It is much broader than in those countries that preach integration but do nothing about it.

[Rodriguez] The Coalition's program stated that Chile would maintain relations with all countries. Why are there no relations with Cuba?

[Silva] We have maintained fluid talks with Cuba, but we uphold the principle of nonintervention. We will reestablish relations when it is appropriate for Chilean interests and after we have confirmed that Chilean interests will be preserved and respected. Specific reasons have prevented us from reestablishing relations with Cuba at this moment, before some problems are resolved.

[Rodriguez] Do you have concrete evidence of Cuban intervention in our domestic affairs?

[Silva] The background information we have leads us to say that we will reestablish relations with Cuba as soon as we are completely sure that those relations will follow a framework that will safeguard Chilean interests. While the points we have raised remain unresolved, Chile will have no relations with Cuba.

Pinochet Praises 'Sacrifices' of Army Cadres

PY0109010990 Santiago EL MERCURIO in Spanish 23 Aug 90 p C 2

["Message" issued by General Augusto Pinochet Ugarte, Army commander in chief, on the occasion of his 17th anniversary as Army commander; place and date not given]

[Text] "Chilean Army soldiers:

"On the anniversary of the day on which I heeded the call of the Divine Providence and assumed the command of our unconquered Army, I would like to extend to all the members of the great military family, warm greetings from the Army commander in chief.

"The time that has elapsed since then and the important missions that destiny has entrusted the Chileam Army to fulfill in the last few years, compel me to thank all Army ranks for the sacrifices they have made to safeguard the honor of the Chilean Army.

"With great pride we can say that the men and women who comprise the brave Army ranks have followed the steps of Chilean forefathers and those who forged our institution.

"From them, we learned to serve Chile above all else; consequently, we are zealous guardians of the values and principles we inherited from them!

"From them, we learned the meaning of sacrifice and the meaning of self-denial to undertake the great challenges that is demanded from those who wholeheartedly serve their beloved fatherland!

"Comrades in arms,

"Glorious years have passed since that day on which, in view of the critical situation our country was experiencing, the Army and its sister institutions were compelled to make the historic decision to save Chile from the most serious threat it ever experienced to its security and sovereignty since the times of its independence.

"In doing so, we imposed on ourselves the difficult and complex mission of recovering a place of honor for our country as our forefathers did.

"To do this we exercised the supreme authority of government, and we sought only the good of the fatherland. When we fulfilled our task, we handed over power to those who were freely elected by the people in keeping with our noblest democratic traditions.

"Therefore, deep in our hearts and minds we are convinced that we have contributed to the best of our ability to establishing the solid bases that will safeguard the greatness of our fatherland.

"These were years of great sacrifice, offenses, and criticism. But they were also years of development, a time of

change for Chile, a time of a true revolution at all national levels, and history will recognize this in the future.

"It was the Chilean Army which guided the process that was so essential for our national being.

"Many Army men occupied key positions during its development. Thanks to their anonymous effort, and the efforts of all those who shared the burden of the noble cause, it is possible to say with sincere emotion and legitimate pride that we more than fulfilled the mission to which we committed ourselves on 11 September 1973.

"Soldiers,

"I thank each one of you for your loyalty to my person during all the years I have spent at the command of this institution; from those higher up in the ranks to the simple soldiers who have just begun training; from the mothers of young soldiers to the courageous and unselfish wives who encourage and support our fatherland's soldiers.

"I am also seizing this opportunity to reiterate my commitment to continue serving the fatherland. I also want to convey my firm willingness to continue guiding this unbeaten Army with the sole and exclusive desire to continue strengthening its tradition of honor.

"We have not joined the ranks of this institution seeking an easy and restful life, something to which others can rightfully aspire.

"We have decided to wear this uniform with the firm determination to generously serve all Chileans and give our lives for the fatherland if necessary.

"That is why today, when we see the biting and unfounded criticism increasing, and when many of those who yesterday praised our work seem to turn their backs on us, we should bear in mind that the virtue of stoicism we carry deep inside our military spirit will give us the strength to bear the attacks. We must rest assured that truth and justice will always prevail.

"Comrades,

"I call on each and every one of you to persevere in your struggle for the well-being of Chile and the Army. I call on you to renew the pledge of service you made, perhaps a long time ago, in front of God and the flag.

"From deep in my heart I thank Divine Providence for guiding the Army along the path of the unselfish service to Chile, and I pray that He will continue to light the path down which we shall march.

"Signed: Captain General Augusto Pinochet Ugarte, Army commander in chief."

Investigative Police Undergo Major Reshuffle

PY3108202490 Santiago Radio Chilena Network in Spanish 1700 GMT 31 Aug 90

[Excerpt] General Horacio Toro, the director of the Investigative Police, has ordered the retirement of 36 high-ranking police officers, among them the eight members of the high command, two deputy directors, and six prefects. The following official communique was released during a surprise and crowded press conference:

The public relations department of the investigative Police of Chile hereby informs the public:

1. A renewal process of the command of the Investigative Police of Chile was begun on this date in an effort to expedite the professional careers of officers and to facilitate the modernization of the institution in keeping with a government resolution and with the wishes of society.

2. Pursuant to those objectives and in keeping with Police regulations, a decision was made on this date to send the following officers into retirement:

Those officers who have completed the legal 30-year period of professional service and those whose resignation is necessary to facilitate the above process.

3. This major decision, which was made as a result of the studies performed over the past five months, seeks to designate members of the mid-level and high-ranking cadres in keeping with the modernization of the institution. [passage omitted]

Under Secretary Leaves For USSR, East Europe

PY3109235990 Santiago Radio Cooperativa Network in Spanish 2300 GMT 30 Aug 90

[Report by Carmen Castro]

[Text] Foreign Relations Under Secretary Edmundo Vargas will leave for East Europe tonight. He will make a two-week tour that will include four East European countries.

The Chilean delegation that will visit the Soviet Union, Poland, Hungary, and Czechoslovakia also includes Augusto Aninat, Foreign Ministry international economic relations director, and five businessmen.

At the end of his two-week tour, Under Secretary Vargas will briefly visit the FRG 17 September to discuss with his FRG counterpart issues of mutual interest, including the Colonia Dignidad issue.

During an impromptu news conference, Vargas indicated that this tour will permit him to personally assess the operation of the Chilean embassies in those countries, both their physical plant and their efficiency.

In addition, Vargas will sign some agreements with Hungary, Poland, and Czechoslovakia abolishing the necessity for visas for diplomatic and official personnel as well as other agreements on cultural cooperation.

The foreign relations under secretary also emphasized the government's interest in increasing the incipient trade with those nations.

On the subject of ties with the USSR, Vargas denied the existence of specific difficulties between the Soviet Union and Chile. He explained that the USSR suffers from a lack of buildings appropriate for the operation of diplomatic missions. Vargas thus referred to the difficulties encountered in establishing a new Chilean embassy in Moscow.

Vargas made it clear that one cannot expect that his trip will produce an immediate reactivation of the relations between Chile and the East European nations. The ties were severed for 16 years, and normalization began 11 March 1990 with the inauguration of the new Chilean Government.

Vargas also recalled that, before leaving office, the former government appointed consuls in those countries.

The foreign relations under secretary pointed out that, nevertheless, the government has outlined its foreign policy, placing emphasis on Chile's integration into Latin America, which, in his opinion, is being fully achieved.

This sector of East Europe is very important, Vargas said.

Meanwhile, the under secretary denied that he is aware of rumors that the relations between Chile and Cuba will be resumed after President Patricio Aylwin's trip to New York to address the UN General Assembly.

[Santiago Domestic Service in Spanish at 1100 GMT on 31 August notes that Vargas left for a "20-day tour" of Europe 30 August.]

French Prime Minister Comments on Relations

PY0509021890 Santiago Domestic Service in Spanish 2300 GMT 4 Sep 90

[Text] French Prime Minister Michel Rocard said today that his visit to Chile was made not only to render homage to deceased former Chilean President Salvador Allende, but also to consolidate greater cooperation and friendship between France and Chile.

Rocard made this comment in a news conference today before his departure, which is scheduled for early tomorrow morning. He said the French Government has shown its support for the democratic government of President Patricio Aylwin through a loan of $5.6 million for the health sector. He added that there is also an agreement to grant a low interest rate preferential credit of $65.979 million in the near future.

Rocard said that the French-Chilean Binational Scientific, Technical, and Cultural Commission will be activated for greater cooperation.

Rocard was asked about French participation in the Persian Gulf conflict. He said Iraq was violating the UN Charter and basic principles of human rights. He said France has enough force to defend the countries of the free world and their supplies. He was also asked about French nuclear explosions in the Pacific. He said that his government supports nuclear disarmament but that while this ideal is not fulfilled in all countries, France must have this type of weapon as a guarantee for protection. At any rate, he said, the French arms are 100 times smaller than the arms of other countries.

Communique Issued on Argentine Border Incident

PY0509033490 Santiago Radio Cooperativa Network in Spanish 2300 GMT 4 Sep 90

[Text] The Chilean Foreign Ministry has issued an official communique in connection with a situation that occurred in the [name indistinct] region. The communique stated that many press reports were published on an alleged border incident in the Aysen Region.

The communique made several remarks on the subject. It first noted that a group of Chilean experts from the Department of Borderlines is now working at the foot of the hills, southwest of the Marconi (?borderline sector) in the [name indistinct] region, as was duly reported to the public.

Second, Argentine Army helicopters approached the Chilean camp on 1 and 3 September. Argentine Army and Gendarmerie personnel left the helicopters and asked for details about the Chilean presence in the area, adding that the Chilean group was in Argentine territory.

The chief of the Chilean group, with the help of documents, explained to the Argentine personnel that the area was undoubtedly part of the Chilean territory.

The communique stated that both the Argentine military personnel and the Chilean experts agreed to report the situation to their respective foreign ministries.

At no time did anything happen that could be regarded as an incident, the communique said.

The communique added that the Foreign Ministry contacted the Argentine Embassy in Santiago, and the Chilean Ambassador in Buenos Aires did the same with the Argentine Ministry of Foreign Relations and Worship.

Chile was given assurances that the situation was nothing but the result of a mistake and that it would not happen again. At midnight yesterday, acting Argentine Foreign Minister Raul Carignano talked with the Chilean Foreign Minister, giving him similar assurances and a comprehensive explanation. Carignano added that the situation occurred because the Argentine Gendarmerie authorities of the region had not received any information on the work by the Chilean experts.

Today the Foreign Ministry delivered an official note to the Argentine Embassy in Santiago, pointing out that situations like the one that happened are disadvantageous, and that for the sake of harmony between the two countries, they should not reoccur.

Minister Advocates End to Monetary Restrictions

PY0509034490 Santiago Radio Cooperativa Network in Spanish 2300 GMT 4 Sep 90

[Text] Finance Minister Alejandro Foxley has said that the problems that forced the Central Bank to adopt a policy of economic adjustment have already been resolved. We believe restrictions on the circulation of money should now be loosened, so the economy can return to its previous level of activity, the minister said.

[Foxley] *I believe the people already understand that we strongly support price stability. We believe the time has come for us to start promoting growth. To some extent, this experience will be like a very painful childbirth in 1991.*

Foxley noted that the end of the adjustment does not depend on the government, but on the Central Bank. He said, however, that he hopes the Central Bank executive board will modify the monetary policy.

[Foxley] *We will talk about the issue with the Central Bank, and I believe the bank will surely agree that its monetary policy should reflect this new phase in which the economy should begin to grow at a faster rate. The main variables about which we were concerned in connection with inflation are under control.*

The minister stressed that the measures that have been enforced to tighten the economy in the wake of the inflation rate growth have softened the effects of the international oil price shock.

[Foxley] *If we had not been practically in the final phase of the adjustment, the oil price increase would have caused a remarkable inflationary acceleration. Fortunately, however, our fiscal and our monetary policies have been sufficiently tight. Such policies have certainly caused problems, have reduced the rate of growth, and have elicited complaints from many sectors, but since our adjustment policy prepared us for the oil shock, now we can calmly expect that the effects of the shock will be softened and, so to say, lessened by the fact that the economy has been adjusted and, so to speak, tightened.*

Foxley also emphasized the fact that Chile has received the first voluntary credit, which shows that the economy is on good standing.

He said that in New York on 17 September he will outline this position to the committee of creditor banks, because an economy that has made an effort to achieve stability, like the Chilean economy, deserves the support of international banks.

Paraguay

Rodriguez: No Need To Renegotiate Itaipu Treaty

PY0309155090 Asuncion EL DIARIO in Spanish 30 Aug 90 p 12

[Excerpts] Paraguayan President Andres Rodriguez said yesterday that Brazil and Paraguay will sign a new agreement in May 1991 setting guidelines for the operation of the Itaipu hydroelectric dam until the year 2023. He announced that this document will be signed when the construction of the dam is finished in January or March 1991. Rodriguez stressed that for the time being there is no need to renegotiate the Itaipu Treaty.

The Paraguayan chief executive said that no proposals for the renegotiation of the Itaipu Treaty will be made for the time being. He explained that in order to renegotiate this treaty now we would first have to "tear it up," because first one writes up a document and then builds the dam. "I believe that there is no need to renegotiate the Itaipu Treaty right now," Rodriguez said.

Asked whether it is possible that certain chapters of the treaty may be modified, the president answered that undoubtedly the treaty will have to be changed in due time, adding that the Itaipu project is in its final phase, practically nearing conclusion. [passage omitted]

Asked whether the Itaipu Treaty should not be renegotiated, the president answered that once the construction is over, around May 1991, the two countries will sign an agreement that will deal only with the management of personnel that will carry out operational and maintenance duties for the binational entity.

Municipal Elections Postponed Until May 1991

PY0309183290 Asuncion ABC COLOR in Spanish 1 Sep 90 p 2

[Excerpts] The National Executive Branch yesterday promulgated the law that had been approved by congress, extending the deadline for the voter registration with the Permanent Civic Registry until 31 January 1991. The law also postponed municipal elections until the last Sunday of May 1991 [initially scheduled for October 1990]. The senate approved the law yesterday morning and the executive branch promulgated it that very same afternoon, taking into account that the initial deadline for voter registration had expired the day before. Following the promulgation of this new law No. 41/90, voter registration may continue normally. [passage omitted]

The first article of the law, temporarily and for this one time only, modified Article 135 of the Electoral Code extending the deadline for voter registration with the National Civil Registry and the Foreigners Registry until 31 January 1991.

This amendment will facilitate greater participation of the citizenry in the coming municipal elections because

both ruling and opposition congressmen have been saying that very few people had registered to vote.

The law also extended Electoral Code deadlines for submitting requests for deleting or adding names to the voter lists, and for the preparation of the final voter lists for the Permanent Civic Registry. The amendment stipulates that the list for each voting station should be ready no later than 10 days prior to the date of the elections.

Article 4 of the law temporarily amends Article 1 of Law 06, dated June 1990, postponing, for this one time only, the municipal elections until the last Sunday of May 1991. [passage omitted]

Law Banning Import of Industrial Waste Approved

PY0409025090 Asuncion HOY in Spanish 3 Sep 90 p 11

[Text] A law prohibiting "the import, storage, and use of refuse, industrial waste, and garbage" and establishing the appropriate penalties for offenders has been automatically approved because the constitutional deadline for debate by the Chamber of Deputies has expired.

Therefore, only the Senate was able to approve it. According to the new law, which the executive branch must now promulgate, "individuals and companies in general are prohibited from importing refuse, industrial waste, or garbage and from facilitating in any way whatsoever the entry, receipt, storage, utilization, or distribution of these substances anywhere in the country."

The law states that there are no exceptions to this ban "because these substances constitute either present or future risks for the quality of life of the people, damage the soil, flora, and fauna, or contaminate air and water to the point of harming the health of human beings or the environment of the country."

The Ministries of Public Health, Agriculture and Livestock, and Industry and Commerce will issue the appropriate regulations to implement the law.

Interpol Conducts Seminar on Counterfeit Money

PY0409162990 Asuncion HOY in Spanish 4 Sep 90 p 22

[Excerpt] Interior Minister General Orlando Machuca Vargas yesterday opened the second Latin American Seminar on Counterfeit Money. The seminar, held at the Central Bank's Convention Hall, is meant to train personnel in counterfeit money control. It is sponsored by the Interpol-Paraguay through the Police Department and the International Criminal Police Organization, and it is attended by police officers from several Interpol member countries. The seminar will last until Friday, 7 September. [passage omitted]

Drug Abuse Prevention Forum Opens in Asuncion

PY0409181690 Asuncion HOY in Spanish 4 Sep 90 p 21

[Text] The National Week of Drug Abuse Prevention, which is being jointly sponsored by the Public Health and Social Welfare Ministry through its Mental Health Department and the Coordinating Board of Nongovernmental Organizations for Drug Addiction Prevention (COPFA), was opened yesterday under the slogan "To Grow in Liberty."

The opening ceremony was chaired by Health Under Secretary Dr. Ruben H. Mallorquin, representing Health Minister Cinthia Prieto Conti. The ceremony began at 0900 with a speech by Dr. Agustin Carrizosa, chief of the Health Ministry Mental Health Department.

Dr. Carrizosa emphasized that this week marks the beginning of the National Campaign of Drug Abuse Prevention. Dr. Carrizosa said: "This week we will try to awaken the conscience of the people on this issue. The truth is that so far the drug issue is ambiguous and the people don't know if it is a political, economic, or a health problem."

Dr. Carrizosa also noted that even though there is no drug abuse epidemic in our country there is always the risk. He added: "At this moment, Paraguay is one of the possible corridors for drug in transit. We therefore believe there is a growing threat to our people."

It was also noted that it is necessary for the Health Ministry Mental Health Department to develop a program that will encompass the entire community through inter-institutional cooperation.

COPFA representative Dr. Manuel Fresco pointed out that our people must know that we have a country with many problems, risks, countless tracts of unused land, illegal car trafficking rings, etc. All this has become part of our culture and, consequently, there is little that we can offer our youth, he said.

Dr. Fresco finally asked that the opening ceremony of the National Week of Drug Abuse Prevention be the starting point for a concerted cooperation effort between governmental and non-governmental organizations and that the presence of the representatives of the various institutions and organizations be a real act of commitment and not merely a protocol move as the drug addiction problem in the country is a reality and it is necessary to enhance the struggle against it.

Several activities will be carried out during the National Week of Drug Abuse Prevention that will conclude on 8 September. The media will support this effort through articles, interviews, commentaries, short educational films, and radio spots on this issue.

Peru

Fujimori Announces More Economic Measures

PY0109185090 Lima Television Peruana in Spanish 0100 GMT 1 Sep 90

[Excerpts] President Alberto Fujimori has said that he does not accept the 25-percent reduction in the price of medicine and that a drastic reduction will occur in the next few days without the need for state intervention.

He also announced the implementation of additional measures for the economic adjustment program. He added that the measures to be implemented are aimed at making foreign trade more profitable. Regarding the explanations made by the Cabinet in Congress and the congressional debate that followed, Fujimori said the country was the winner. He reiterated his complete support for his Cabinet. Fujimori made these comments after visiting an auto plant where he inspected Chinese buses to be purchased to help urban transportation.

[Begin recording] [Reporter] [passage omitted] What about the dollar rate?

[Fujimori] Fortunately, the dollar rate remains stable. Within this framework, the situation of exporters has improved substantially if we compare it to previous months when the average price they were getting for the dollar was 80,000 intis. Exporters can rest assured that we will implement additional measures to make their activity profitable.

[Reporter] When are the additional measures going to be implemented?

[Fujimori] Very soon. Several measures have been implemented in the last 15 days.

[Reporter] [Question indistinct]?

[Fujimori] We are going to have a free dollar rate, but of course, it will have some regulation by the Central Reserve Bank.

[Reporter] What about the recession, which is a problem creating great concern?

[Fujimori] The program's first stage is the struggle against inflation, and the entire population has seen the results because inflation has been stopped. The second stage involves reactivation of the production apparatus with the implementation of some measures. What we are going to do immediately is reactivate construction. In this regard, the construction of schools is going to start very soon, especially in the provinces. We already have a good construction project.

[Reporter] What about bank interest rates?

[Fujimori] Interest rates are also coming down. We hope the rates will come down to a level that will allow businessmen to get credit at reasonable rates, and to allow savers to gain profits higher than the inflation rate.

[Reporter] Will there be any incentives in this regard?

[Fujimori] Do you mean savings? The incentives are given through the interest rates and minimum inflation. I believe that on those two aspects, savers can rest assured that their savings will be guaranteed.

[Reporter] Is the money saved in national and foreign currency guaranteed?

[Fujimori] Of course. [end recording]

President Alberto Fujimori made an inspection visit to the former Chrysler assembly plant in San Martin de Porres to see the Chinese buses. He announced that the government is studying the possibility of purchasing 500 Chinese buses to solve the urban transportation problem in Lima. [passage omitted]

Banks Open Foreign Currency Savings Accounts

PY3108182790 Lima EL COMERCIO in Spanish 28 Aug 90 p B-5

[Text] Since savings accounts in dollars and other foreign currencies were authorized by the government, commercial banks, especially the small- and medium-sized banks, have discovered a new line of business and a new service for their clients.

It has been reported that one of the banks accepted deposits of $608,000 in three days last week.

That bank is not the only one. Nearly all of them have begun publicity campaigns in search of the dollars that are in the hands of individuals and enterprises. The volume is estimated at $1.2 billion.

The financial institutions are now facing important challenges because they must install data-processing equipment that cost several hundred thousand dollars.

The manager of one bank told us: "At every social level, the majority of the people keep some of their money in dollars, be it a little or a lot. Coins are no longer acceptable due to their relatively high cost of production, and bills of the unusually high denomination of five million intis (five billion soles, the old currency) are circulating."

The banks have taken advantage of this opportunity to act as intermediaries and to attract an interesting portion of the unproductive foreign currency that Peruvians keep in their homes.

The government authorized these new savings accounts in foreign currency in an attempt to make these informal dollars available to the official intermediaries.

The institutions that are equipped with automatic tellers are in the forefront of this operation. The clients of these banks can deposit, withdraw, transfer, buy, or sell dollars day or night, receiving them on demand in cash, day or night, during working days, or at weekends.

The informal money changers have now been replaced by electronic money changers whose owners also pay current legal interest rates.

Accumulated Inflation Amounts to 4,641 Percent

PY0209024690 Lima Television Peruana in Spanish 0100 GMT 2 Sep 90

[Summary] According to Felix Murillo, head of the National Statistics Institute, the consumer price index for the month of August amounted to 397 percent, and the accumulated inflation rate for the January-August period amounts to 4,641 percent. However, inflation as of the second half of August dropped by 34.3 percent.